



New York City Comptroller
John C. Liu

NEWS RELEASE

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**COMPTROLLERS DiNAPOLI & LIU EXPRESS
SUPPORT FOR NATIONAL APPROACH TO FIX
THE MUSHROOMING FORECLOSURE PROBLEM**

NEW YORK, NY – State Comptroller Thomas P. DiNapoli and New York City Comptroller John C. Liu today expressed their support for the nationwide coordinated investigation launched to address the latest chapter in the nationwide foreclosure crisis.

“The subprime lending crisis demonstrated the dangers of allowing hasty, sloppy documentation procedures to undermine prudent financial conduct,” DiNapoli said. “The robo-closure scandal makes it clear these lessons have already been forgotten. The foreclosure crisis is devastating families across New York state. When the stakes are this high, there is no room for error. The national coalition of attorneys general and regulators will work to restore transparency and accountability to the mortgage lending process. This is more important now than ever. These banks must show that each and every foreclosure action is fully justifiable.”

“To have all 50 states launch a coordinated investigation attests to the gravity of the national foreclosure crisis,” Liu said. “The symptoms reach beyond just a climate of inferior customer service, and may extend to a systemic problem that demands comprehensive, consistent and efficient efforts.”

DiNapoli and Liu also support the request for additional information made by New York State Attorney General Andrew Cuomo and Banking Superintendant Richard Neiman so that any unlawful foreclosure actions can be identified and corrected, and a fair, transparent and accountable process can be established going forward. DiNapoli and Liu also pledged to continue to monitor the developments in this scandal to ensure the people of the City and the State, as well as the interests of the pension funds, are protected.

DiNapoli and Liu have engaged lenders to identify best practices and find solutions to make the loan modification process more effective. In August 2010, DiNapoli and Liu sent letters to several large banks requesting detailed information regarding their efforts to help New Yorkers who are confronting the painful threat of mortgage foreclosure. Further detail is available at www.osc.state.ny.us/press/releases/aug10/080510b.htm.

Recent reports have raised the possibility that Ally Financial, formerly GMAC, JP Morgan Chase, Bank of America, PNC Bank and other lenders may have wrongfully foreclosed on

homeowners in New York state due to the practice of “robo-signing” where lenders circumvent the appropriate and required due process for foreclosures. On Wednesday, attorneys general and bank regulators across the country announced a nationwide effort to address the crisis.

In June 2010, DiNapoli released a report that highlighted the effects of the housing market meltdown on New York state, particularly regarding declining home values and foreclosures. The report is available at

www.osc.state.ny.us/localgov/pubs/research/snapshot/0610snapshot.pdf.

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