

Suffolk leads in loan warnings

■ **County is first in state** in pre-foreclosure notices

■ **New rules** aim to save homes of at-risk borrowers
BY ELLEN YAN

More pre-foreclosure warnings were mailed to Suffolk than any county in the state, with Nassau coming in third behind Queens, the state banking department said in its first report on the newly mandated notices.

Between Feb. 13 and May 31, notices went to 8,293 homes in Suffolk, 6,267 in Queens and 5,755 in Nassau, said the report, released yesterday.

They were among 57,256 notices sent out under a new state law that requires lenders and servicers to give all at-risk borrowers a 90-day warning before initiating foreclosure.

"I'm afraid now," said Susan Sunderland, who got one in April, when she and laid-off husband Joel were a month late on a \$4,400 payment for his childhood home in Lattingtown.

Joel Sunderland said they tried for three years to lower an 11.75 percent rate and occasionally sought help from nonprofits

before the notice nudged them: "It kind of pushed us to go back to some of the people we were talking to before."

The notice, which outlines steps to save homes, tries to divert borrowers into loan modifications instead of foreclosure, which starts after 90 days with a "lis pendens" or pending suit filed with the county clerk.

State officials said the data identifies which areas need the most resources, including funds for nonprofits.

"An important part of resolving this mortgage crisis is getting homeowners the help that they desperately need before they fall too far behind to recover," banking superintendent Richard H. Neiman said.

In a component of the early warnings, the state shares recipients' addresses with nonprofits. Collectively, the nonprofits will inform borrowers about loan seminars that 15 Island agencies

will run together.

The confidential details give nonprofits an upper hand over home rescue firms and scammers, who troll public foreclosure filings to get to borrowers.

"The idea is try to reach people before they end up talking to somebody who might charge them or scam them," said Sarah Fouquart, a group manager at GreenPath Debt Solutions, a Jericho nonprofit.

Yesterday in Plainview, local housing counselors digested the data with state officials, who have just released the first batch of addresses to one nonprofit per county to share with counterparts. It's GreenPath in Nassau and the Community Development Corp. in Suffolk.

About 43 percent of the warnings were issued on mortgages of less than \$150,000. State officials said this suggests borrowers with decent equity in their homes are facing economic woes and not just problems with unaffordable loans.

RealtyTrac, which gathers foreclosure data nationwide, said this week that foreclosure-related filings on the Island fell 4 percent over May.

Eileen Anderson, senior vice president at the Community Development Corp., says she hopes the new process will get homeowners acting earlier. "You're not going to have people calling ... saying 'I have to get in today because my home is going into foreclosure tomorrow.'"

Hardest-hit counties

	Warning letters	County's % of all NYS warnings
Suffolk	8,293	14.5
Queens	6,267	10.9
Nassau	5,755	10.1
Kings	4,485	7.8
Erie	2,917	5.1

Source: State Banking Department

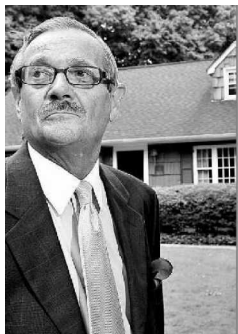


PHOTO BY KATHY KACHNICK

Joel Sunderland received a pre-foreclosure warning for his childhood home in Lattingtown.

