

NEW YORK STATE NOW HOLD BANKS AND MORTGAGE SERVICERS ACCOUNTABLE FOR MAINTAINING "ZOMBIE PROPERTIES"

Under the law, bank and mortgage servicers must complete an inspection of a property subject to delinquency within 90 days and must secure and maintain the property where the bank or servicer has a reasonable basis to believe that the property is vacant and abandoned. Banks and mortgage servicers are required to report all such vacant and abandoned properties to DFS and submit quarterly reports detailing their efforts to secure and maintain the properties and the status of any foreclosure proceedings. If DFS determines that a property that has been deemed vacant and abandoned is not being properly maintained by the relevant bank or mortgage servicer, the Superintendent will exercise her authority to hold the bank or mortgage servicer accountable. Violations are subject to a civil penalty of \$500 per day per property.

The regulation is part of several provisions that will help address the scope of unoccupied and ill-maintained properties, which based on voluntary reporting is estimated to be over 6,000. Under the new law, reporting by banks and mortgage servicers is now mandatory, and the number of abandoned homes is anticipated to be even higher. The law also requires the creation of a zombie properties hotline to allow New Yorkers to report vacant or abandoned properties.

New Yorkers can contact the Department of Financial Services hotline at (800) 342-3736 or online at www.dfs.ny.gov to report vacant or abandoned properties.

A copy of the Consumer Bill of Rights is Available [here](#).