



Old Astoria Neighborhood Association Inc. (OANA)
www.OANA-NY.org

Relief For Small Property Owners

March 16, 2020

We request urgent action to address pressing mortgage payments for residential real estate, in light of the economic slowdown caused by COVID-19. Specifically, we'd like to emphasize such urgency as it pertains to single family units, condos, co-ops and 1-3 multifamily buildings.

We are fully supportive of relieving tenants from potential evictions. However, it cannot be at the expense of homeowners and landlords if we want the private sector to continue to provide single/multifamily housing units. Whether the owner has lost their own job (affecting single family, condos or coops), or lost income from their tenants (In multifamily buildings), the repercussions of failed mortgages can lead to disaster.

Although the financial system has significantly improved its resilience to financial distress since the last recession, the scale at which COVID-19 is impacting the economy will require decisive and swift action to avoid the mortgage defaults that could lead to another economic and housing crisis like we experienced in 2008. Based on the latest census, about 41% of all housing units in NYC are owner-occupied - which is a significant portion of our housing stock.

We ask that Mortgage Holders be temporarily relieved of the responsibility of payments during this crisis, same as tenants who are protected against evictions or penalties for non-payment of rent. We also would like utility and tax bills addressed to make sure that housing is stable and meets our needs.

As an example, we reached out to Wells Fargo, and all they are currently offering is a one time relief of any penalties for late or non-payment of a mortgage. Nevertheless, they are still reporting it to the credit bureaus. This is an insignificant response to what is sure to be a major problem.

During the financial crisis in 2008, banks were offering modifications to mortgages with a few months of a mortgage holiday. We hope that a similar program can be established.

Richard Khuzami

Johannes Schmidt