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Contact: Matthew Hassett, 646-786-0895, matthew.hassett@cnycn.org

CENTER FOR NYC NEIGHBORHOODS COMMENTS ON “WALL STREET’S NEW HOUSING BONANZA”

New York, NY – A recent article in the New York Times’s DealBook highlights a new plan to carve mortgage debt into slices and sell it on the market. Just five years after the mortgage crisis sent thousands of New Yorkers into foreclosure, the possibility of another financial crisis is in the making.

But what’s even worse is that this time, it’s not just a bursting credit bubble that we need to worry about. Families looking to purchase homes and invest in New York City may be pushed out of the housing market. Faced with stiff competition from investors, families looking to buy will instead add to the demand for affordable rental units. We know from our work at the Center that homeownership is an essential component of neighborhood stabilization. By pushing out homeowners, we are inhibiting the recovery of neighborhoods still reeling from the 2008 financial crisis.

The Center for NYC Neighborhoods urges elected officials at all levels to regulate this new industry and continue to invest in affordable homeownership opportunities in order to protect New Yorkers and their neighborhoods.

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About the Center for New York City Neighborhoods

The Center for NYC Neighborhoods was created in 2008 in response to the foreclosure crisis through the collaborative efforts of Mayor Bloomberg, the New York City Council, community advocates, foundations and corporate leaders. The Center’s mission is to promote and protect affordable and sustainable homeownership in New York City. As the central hub of a diverse network of service providers, the Center leverages private and public resources to ensure that homeowners citywide have access to high quality foreclosure prevention services. Visit cnycn.org or twitter.com/cnycn for more information.