

## MEDIA ADVISORY

March 15, 2019

Contact: Lou Migliore, 914-530-1323

### **Bank-owned zombie home fines in Mount Vernon hit almost \$4 million**

MOUNT VERNON – Mayor Richard Thomas visited a burned-out home to highlight fines reaching almost \$4 million that are assessed to banks owning derelict “zombie” homes in the City.

“As of this week Mount Vernon has 44 bank-owned properties and we’ve been taking aggressive steps to hold them accountable,” Mayor Thomas said Friday morning. “Since we’ve started fining them under state and City codes, they have amassed \$4 million in penalties.”

Fines by the City are the latest tactic Mayor Thomas is using to eliminate urban blight. Past actions have included razing zombie homes and sending city workers to derelict properties to remove trash.

Mayor Thomas said that the City’s next step is to take legal action against the banks with the goal of seizing the properties from the banks.

“We will then take another step, to isolate these properties so they are sold to ordinary people, not banks and phantom LLCs. We want to make sure that ordinary people have a shot at being included in the American Dream.”

As part of the Mayor’s Health Homes Initiative, the City has already set aside \$1 million to help ordinary people get access to financing to buy a home, including a \$25,000 down payment plus \$25,000 for the repair of a home.

Zombie properties have been a scourge on neighborhoods nationwide, especially after the Great Recession of 2008-09, but while many communities have recovered, Mount Vernon’s struggle with unkempt properties continues.

In October 2017 state Sen. Jamaal Bailey and former Sen. Jeff Klein released unveiled their “Nightmare Neighbors” study on how zombie properties lowered the values of surrounding properties that are well-maintained.

Among the senators’ findings were:

- 21 bank-owned properties in Mount Vernon caused \$3.52 million in lost property value to 764 neighboring homes.
- The lowest income neighborhoods of Mt. Vernon, found here in the zip code 10550, were the most negatively affected, with 58% of the total calculated property value loss affecting homes in that zip code.

“The zombie properties in Mount Vernon have done significant damage to the value of the neighborhood. It is absurd that ten years after the height of the mortgage crisis, the City of Mount Vernon is still feeling its effects,” said Sen. Bailey. “These banks have harmed the progress of this city and should be held accountable. I want to thank Mayor Thomas for bringing back the conversation surrounding zombie houses to the attention of the public.”

The derelict properties also pose a threat to firefighters and the public, said Mount Vernon Fire Commissioner Al-Farid Salahuddin.

“We are constantly getting calls to zombie homes,” said Commissioner Salahuddin. “We’ve had a few fires created by people who were trying to stay warm in the wintertime in some of the zombie homes. This is a danger to the community and a danger to the men.”

According the Mount Vernon Buildings Department, the top fines are owed by:

1. Deutsche Bank National, \$990,000
2. US Bank Trust, \$450,000
3. US Bank National, \$270,000
4. Federal Home Loan, \$180,000
5. Wells Fargo, \$180,000
6. Wilmington Savings, \$180,000
7. HSBC Bank, \$180,000

Photos:

1. Mayor Richard Thomas speaks in front a zombie home at 19 S. Terrace Ave. in Mount Vernon on March 15, 2019.
2. A zombie home at 19 S. Terrace Ave. in Mount Vernon on March 15, 2019.

