

## New York allows Reverse Mortgages for Housing Cooperatives

By Judy Sullivan

A FEW THINGS I have learned after covering congressional issues for so long is that there are many ways to make things happen, and sometimes the efforts to do so can take a long time. The road to success is a winding one, indeed.

That said, NAHC has been trying to have the U.S. Department of Housing and Urban Development (HUD) issue the guidelines for housing cooperative seniors to obtain reverse mortgages for a very long time. NAHC met with HUD officials a couple of years ago, and they said they did not like reverse mortgages because some seniors abused them by taking cruises and splurging in other ways, and then the seniors no longer had them as a safety net for their aging needs.

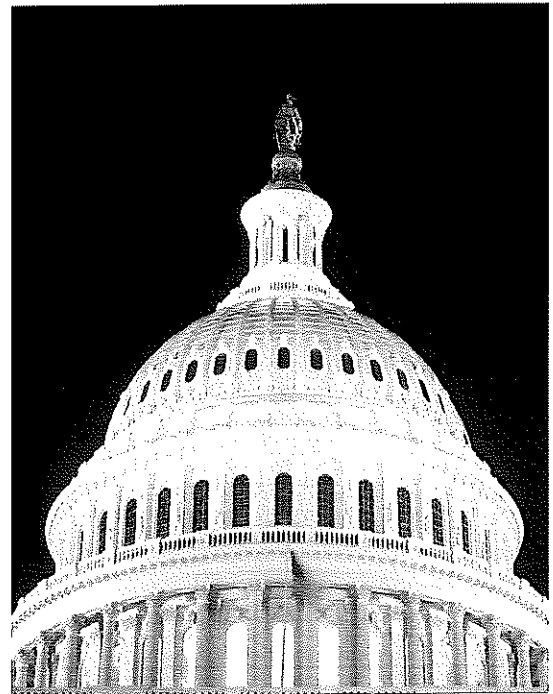
HUD officials also said housing cooperative shares were considered “personal” property, and they only wanted to allow reverse mortgages for “real” property (i.e., single family homes and condominiums).

They added that when Congress authorized reverse mortgages for housing cooperatives in Title II, Section 201 of Public Law 106/569, the language states that HUD “may” rather than “shall” write the guidelines, thus giving HUD discretion on whether or not to do so.

Hoping a new administration might be more receptive to NAHC’s concerns on this issue, last fall NAHC asked for a meeting at HUD. The response NAHC received was a flat out “NO” with no reason given for their response.

Today, NAHC is trying a different tack. NAHC has identified members of the House Committee on Appropriations’ subcommittees, Representative Adriano Espaillat, D-N.Y., and Senator Dianne Feinstein, D-Calif., and is asking NAHC members to contact them to request report language in the Transportation, Housing and Urban Development, and Related Agencies Appropriations bill stating that HUD “shall” issue guidelines by January 1, 2023, for reverse mortgages for housing cooperatives.

In other news, NAHC is pleased to report that New York Governor Kathy Hochul signed legislation into law that permits reverse mortgages for New York cooperative housing



for persons aged 62 and older. NAHC worked diligently to advocate for the passage of this cooperative bill. NAHC met with consumers, the National Reverse Mortgage Lenders (NRMLA) and the bill’s sponsors in Albany, N.Y., to address concerns of cooperative owners. The Council of New York Cooperatives & Condominiums was especially involved in the successful path of this legislation. FHA does not permit Home Equity Conversion Mortgages on cooperatives, but the new law paves the way for lenders that offer private-label reverse mortgages in New York to provide products for cooperative owners (see News from Member Associations for more information).

There are many twists and turns in NAHC’s reverse mortgages for housing cooperatives’ windy road, and NAHC hopes to ultimately succeed in getting seniors the reverse mortgages they are entitled to just like all other homeowners. NAHC will continue working on members’ behalf until NAHC achieves all of the benefits of homeownership for which members are entitled. ☺



Judy Sullivan is NAHC’s government relations representative. She is also the recipient of NAHC’s Jerry Voorhis and the Roger J. Willcox President’s awards.