NYC 'DEBT' RECKONING

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A silent crisis is ripping through many city neighborhoods as more and more homeowners are unable to pay down their subprime mortgage loans.

In Brooklyn's Bedford-Stuyvesant, one-fifth of subprime mortgages were more than 60 days in arrears as of April - and 10 percent of all subprime loans were in foreclosure, according to data provided to The Post by First Data LoanPerformance, a mortgage-tracking firm.

Other neighborhoods taking big subprime-foreclosure hits are East New York in Brooklyn; the Arverne section of the Rockaways and parts of Jamaica, Queens; Tottenville on Staten Island; and the Olinville and Bronxdale sections of The Bronx.

And the number of subprime loans in arrears and foreclosed has risen steadily all across the city over the last year, the data shows.

In one part of Bed-Stuy, the percentage of subprime loans 60 days or more in arrears rose from 15 percent in June 2006 to 23 percent in April of this year.

Thousands of New Yorkers' homes are endangered by subprime loans, which can carry variable interest charges of more than 10 percent.

But the impact is hard to see.

Foreclosure is so complicated and costly, many lenders prefer to work out new payment plans. And the city's hot real-estate market lets some homeowners sell before their problems become untenable.

"I don't have any stories where people become homeless," said Ismene Speliotis, of ACORN Housing, a nonprofit that works with people facing foreclosure.

"They get their stuff together. They live with family and friends," Speliotis said. "They've lost any equity they've put in their house, and they go back to finding exorbitant rentals."

One symptom of the subprime problem is a rise in the number of shady "foreclosure rescue" scams, which promise help but end up costing people their homes when they unwittingly sign away their deeds.

Nobody is sure how the subprime crisis will affect the city's homeownership rate, which, at 33.1 percent in 2005, was about half the national rate, according to New York University's Furman Center for Real Estate and Urban Policy.

"New York's real-estate market is fairly hot, and buildings are unlikely to sit vacant. There's some skepticism as to whether the city is going to take a hit, or whether it's going to be localized," said the center's Jenny Schuetz.

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