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. . . and Albany's Excess

Meanwhile, on the local mortgage front, Albany appears poised to make a bad situation worse.

Think fed-up New Yorkers are fleeing the state now? Just watch what happens when they can't find a mortgage.

Any mortgage.

Yet that's precisely the state of affairs lawmakers are trying their hardest to bring about — under the sweet-sounding guise of "foreclosure relief."

A bill that passed the Assembly last month, for instance, would tack an extra year on to the 400-plus days it now takes a lender to foreclose on a subprime mortgage — during which time a judge would be free to impose new repayment schedules and terms.

Manna from heaven for New York's most desperate homeowners? It very well could destroy what remains of the mortgage industry's incentive to lend to anyone without perfect credit.

Think about it: What lender would ever take a chance on a subprime loan — by definition the riskiest — if any attempt to collect on it would almost certainly be tied up in court for *years*?

Gov. Paterson's proposal, currently fronted by Senate Republicans, isn't much better. Among other things, it essentially would greatly expand the definition of a subprime loan — bringing all but the most exquisite loans under the regulations and penalties that have already helped to dry up the subprime market.

Sure, the bill also contains a number of common-sense measures — such as requiring lenders to let imperiled borrowers know all their options before foreclosure proceedings get under way. But that's not likely to be much good for folks who can't get a mortgage in the first place.

Paterson, Assembly Speaker Sheldon Silver and Senate Majority Leader Joseph Bruno say they're committed to getting *some* legislation agreed to by the end of the legislative session — perhaps as early as this week.

And this being an election year, they're liable to live up to their promise.

However unfortunate that may be for the state of New York.