

Mayor's Anti-Flipping Task Force

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Anti-Flipping Task Force Releases First Recommendation *City Should Accept Partial Payment for Property Taxes*

The Mayor's Anti-Flipping Task Force issued its first recommendation today, calling for the City of Buffalo to allow for the partial payment of real property taxes. The recommendation suggests the City accept tax payment in a maximum of four payments; thereby providing flexibility to the taxpayer who may not be able to make a lump sum payment every six months, and, ultimately, reducing the number of tax foreclosures in the City.

"This is a key first step in combating house flipping," says Assemblymember Sam Hoyt (D-Buffalo, Grand Island), who is co-chairing the Task Force with Senator William Stachowski. "By allowing partial payment of real property taxes, we will keep houses off the foreclosure list and, most importantly, out of the City's tax foreclosure auction, where a lot of the flipped houses are originally purchased by unscrupulous investors. Additionally, this policy will be tremendously beneficial to those residents on a fixed income, such as our growing senior population."

Task Force coordinator Kathleen Lynch concurs, "The issue of partial payments on current taxes was raised immediately by members of the community and task force members who see the current rigid payment plan as a factor that contributes to "flipping". By allowing homeowners more flexibility in the payment process, we expect to see fewer houses facing foreclosure because of tax liens. In addition, this type of payment schedule, adopted by many other cities and municipalities including Erie County, is beneficial to the City of Buffalo since it will actually increase the likelihood that the City will collect tax monies earlier in the process."

Property flipping is the practice of buying a house at a low price usually and reselling it quickly at an inflated price. While there is nothing inherently illegal about that process, many times it becomes illegal when the investor falsely inflates the value of the property. This is often achieved through the use of fraudulent appraisals or by putting the property through one or more paper transactions to increase the sale price.

As Senator Stachowski says, "This first recommendation will serve as an indicator of what this Task Force hopes to accomplish. By taking a clear, unbiased look at the steps we can take to keep people in their homes, and predators out of them, we will take the steps needed to keep Buffalo's housing stock viable, vibrant and safe."

Mayor Anthony Masiello announced in May the creation of the City's task force to combat property flipping, an increasing problem in vulnerable Buffalo neighborhoods.