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DEPARTMENT OF FINANCE

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**PROPERTY TAX DELINQUENCY RATE PLUNGES TO 5-YEAR LOW,
SMALLEST TAX LIEN POOL SINCE 1996**

DELINQUENT HOMEOWNERS DECLINE FROM 90,000 TO 40,000 IN A YEAR

**STRONG MARKET, \$400 TAX REBATE, IMPROVED TAX ADMINISTRATION
PUSH DELINQUENCY RATE DOWN TO 3.62%**

The New York City Department of Finance today reported that the property tax delinquency rate has plunged to a 5-year low of 3.62 percent, contributing to the smallest number of properties in the tax lien pool since the program's inception in 1996. The number of delinquent homeowners dropped from 90,000 in January 2004 to 40,000 in January 2005, a 55 percent reduction that reflects sustained growth in the real estate market, the benefits of the \$400 tax rebate and improved tax administration by Finance.

Owners of fewer than 9,000 delinquent properties - down from 13,000 last year -- will receive 60-day warning letters this week notifying them that that the City intends to sell a lien on their property unless they resolve their property and water debt by May 20. These owners owe a total of \$331 million in property and water charges.

"We are thrilled that fewer property owners are falling behind in their taxes, especially homeowners," Finance Commissioner Martha E. Stark said. "The \$400 rebate provided an enormous incentive for homeowners to catch up on their bills, as did improvements made by Finance and the growing real estate market."

Commissioner Stark pointed to several factors that have contributed to the lower delinquency rate:

- To qualify for the \$400 rebate, no homeowner could have arrears of more than \$25. Between the announcement of the rebate in July 2004 and the last date to apply for the rebate on October 15, 2004, 40,156 homeowners satisfied a delinquency in order to receive a rebate.

- With the new Statement of Account in December 2004, Finance combined past and current charges on the same bill for the first time and used existing credits to offset open balances, which reduced many owners' bills.
- Historically low interest rates and growing property values have enabled many City homeowners to refinance their mortgages and free up cash to pay their taxes.
- More owners are paying online through Finance's website. During the third quarter of calendar year 2004, online payments of property taxes doubled from the same quarter in the previous year.
- For the last two years, Finance's lien sale notification list has included the addresses of delinquent properties as well as their Borough, Block and Lot numbers, making it easier for owners to see if they are listed and resolve their debt.
- The accuracy of Finance's 60-day notice improves each year. HPD and DCAS assist Finance by reviewing the potential lien sale list early to ensure that properties that are exempt are not placed on the list.
- Finance has made its lien sale brochure and STAR forms available in English, Spanish, Chinese, Korean and Russian.
- Last year Finance allowed all lien sale candidates to enter into installment agreements, as long as they have not defaulted on a previous agreement.

Here are the results:

- As of January 2005, only 40,000 residential homeowners had an outstanding bill from fiscal year 2004 – down from 90,000 homeowners in January 2004.
- The number of parcels with year-old delinquencies dropped from 101,558 last year to 47,139 this year. Of the total reduction of 54,419 parcels, 45,524 were predominantly small homes and residential condominiums, 6,571 were condos, cooperatives and other residential properties and 2,313 were commercial properties.
- This year's 60-day lien pool is not only the smallest overall -- it has the smallest number of residential properties in five years: 2,686, down from a high of 5,166 in 2002.

- Most importantly, the Citywide property tax delinquency rate, as of January 31, 2005, is at a five year low of 3.62 percent -- lower than pre-September 11, 2001, when it was 4.61 percent.

Properties receive 2005 tax lien notices:

For owners of properties with large delinquencies who do not pay their property taxes by May 20, Finance will sell the debt - NOT THE PROPERTY -- to a private collector. The so-called "60-day list" of properties will be published March 15 in the Daily News and online at nyc.gov/finance. Finance will also mail notices to owners of these delinquent properties. Finance has also published lien sale ads targeted at ethnic and community newspapers, and has made lien sale information available in Spanish, Chinese, Russian and Korean at nyc.gov/finance.

Delinquent owners on the lien list should pay their debt in full immediately or enter into an installment agreement. Owners who have not yet defaulted on a previous payment plan are eligible. Payments can be made online, at any of Finance's Borough Business Centers or by mail, regardless of where the property is located. To ensure timely processing, Finance advises owners not to make payments by mail after April 30.

Owners who believe that the City's records are incorrect also should contact the City immediately. Information is available at nyc.gov/finance or by calling 311.

"For these property owners, the clock is ticking for them to pay their property taxes and water charges," Commissioner Stark said. "I urge them to come forward as soon as possible, even if they believe they have been listed in error, so they can pay what they owe and avoid the lien sale."

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