

Carol Chock, Oral Testimony to DEC November 17, 2011

I am Carol Chock, Tompkins County Legislature, where I Chair a Subcommittee for our Council of Governments examining impacts on our tax assessment rolls and land values.

We found that New York State allows drilling to occur only 100' from homes. And we learned from banks, appraisers, and attorneys that our ability to buy a home or get a home equity loan is threatened if lenders cannot meet basic standards to sell those loans to the secondary market.

The lenders have been quite clear they are not coming from an environmental perspective. Setting the minimum 200' or 300' setbacks they need will NOT provide an environmentally safe distance between industry and our homes.

But the bankers made it clear that New York State must set a bigger distance between buildings and any kind of drilling activity, for them to continue doing business.

So our committee brought those bankers to Albany, seven months ago. They gave the same message to the DEC and the Governor's Office. The answers are NOT in this new EIS.

There are conflicts in the sGEIS, the proposed regulations, and even existing law with decades-old requirements of residential mortgage lending and secondary market standards established by Fannie Mae, Freddie Mac, FHA, VA and even New York State's own SONYMA Mortgage Agency.

- Surface or subsurface lease rights within 200 feet of a residential structure are not acceptable to Fannie Mae or Freddie Mac. (Section 39.4 Freddie Mac manual)

-- FHA won't accept surface or subsurface leases within 300 feet of the home OR even property boundary lines. --(FHA Section 4150.2)

-- Those setbacks can't just apply to the well-head. They must apply to storage of chemicals, pipelines, and other ancillary activities.

DEC ignored that. But the national press and the NYS Bar Association have looked. FHFA, which now oversees Fannie and Freddie, has confirmed that it is the lender's responsibility. NYS must respond if we want our residents to own homes, finance, buy and sell, and take equity out when we need it.

Those of you in the room here with leases, (*direct these remarks to the room*) - regardless of whether you are pro or anti drilling for other reasons - - it is important to go home and check out your leases. A 200' clause is not good enough unless it has those other stipulations. Check with your bank. You may be in violation of your mortgage. Know that when you go to buy, sell, or get a loan, you will each need to renegotiate the terms,

UNLESS NYS sets these parameters across the board at the state level.

The fact that NYS was so clearly unaware, and then chose to ignore the specific needs of this competing and essential industry, undermines our confidence that NYS has done its due diligence to protect even the basic homeownership rights of New Yorkers and the needs of our existing businesses - the lifeblood of our communities. Let's help them stay in business.