



## **FOR IMMEDIATE RELEASE**

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### ***Disability Rights New York Files Lawsuit Against Loeb House, Inc. For Overcharging Supported Housing Residents***

Albany, NY, March 3, 2015 – Disability Rights New York (DRNY) filed a class-action lawsuit on February 26, 2015 against Loeb House, Inc., a provider of NYS Office of Mental Health (OMH) funded community mental health “supported housing” in Rockland County. The Complaint alleges that Loeb House unlawfully overcharged its residents for rent in violation of contractual obligations and Section 349(a) of the New York General Business Law.

Supported Housing is a state-funded program which provides a rent supplement and case management services to people with serious mental illness who need those supports to live in the community. It is a highly successful program that has been in existence since the early 1990s in New York. Residents of supported housing, who subsist on Supplemental Security Income or Social Security Disability payments and depend upon OMH rent subsidies for affordable housing, contribute 30% of their income towards the rent and use the remainder for food and other necessities. Loeb House receives state funds to pay the balance of the rent and to provide case management services.

Instead of charging supported housing residents 30% of their net income as required, beginning in 1992 Loeb House has charged residents as much as 50% of their income for rent. After a resident complained to OMH in 2012, Loeb House limited the rental charges to 30% of income, but it has refused to reimburse the residents for years of unlawful rent overcharges.

DRNY is New York’s independent Protection & Advocacy System, and is authorized by federal law to advocate for people with disabilities in New York. The lawsuit, *Brandon v. Loeb House, Inc.*, was filed in the New York State Supreme Court in Rockland County.

“It is reprehensible that Loeb House has systematically overcharged those people it has a responsibility to help,” said Timothy A. Clune, DRNY’s Executive Director, “and, even more so, that it must now be sued to compel the return of the money that it has unlawfully taken from the residents.”