

STATE OF NEW YORK

6836

2017-2018 Regular Sessions

IN ASSEMBLY

March 21, 2017

Introduced by M. of A. JENNE -- read once and referred to the Committee on Housing

AN ACT to amend the real property law, in relation to the resale of manufactured and mobile homes through a lease with the option to purchase

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. The real property law is amended by adding a new section
2 233-b to read as follows:

3 § 233-b. Resale of manufactured and mobile homes through a lease with
4 the option to purchase contract. 1. Definitions. For the purposes of
5 this section:

6 (a) "Lease with the option to purchase contract" shall mean a legally
7 binding agreement, entered into this state, for the resale of a manufac-
8 tured or mobile home, pursuant to which the transfer of title or proof
9 of ownership, whichever the case may be, from the seller to the buyer is
10 subject to the completion of all contingencies included and agreed upon
11 by all parties to the agreement.

12 (b) "Manufactured home" shall mean a structure, transportable in one
13 or more sections, which, in the traveling mode, is eight body feet or
14 more in width or forty body feet or more in length, or, when erected on
15 site, is three hundred twenty or more square feet, and which is build on
16 a permanent chassis and designed to be used as a dwelling with or with-
17 out a permanent foundation when connected to the required utilities, and
18 includes the plumbing, heating, air-conditioning, and electrical systems
19 contained therein.

20 (c) "Mobile home" shall mean a moveable or portable unit, manufactured
21 prior to January first, nineteen hundred seventy-six, designed and
22 constructed to be towed on its own chassis, comprised of frame and
23 wheels, connected to utilities, and designed and constructed without a
24 permanent foundation for year-round living. A unit may contain parts

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

LBD10306-01-7

1 that may be folded, collapsed or telescoped when being towed and
2 expanded later to provide additional cubic capacity as well as two or
3 more separately towable components designed to be joined into one inte-
4 gral unit capable of being again separated into the components for
5 repeated towing. "Mobile home" shall also mean units designed to be used
6 exclusively for residential purposes, excluding travel trailers.

7 (d) "Buyer" shall mean any person who purchases a manufactured or
8 mobile home subject to a lease with an option to purchase contract from
9 a seller.

10 (e) "Seller" shall mean any person, corporation, association, or any
11 other legal entity who sells a manufactured or mobile home subject to a
12 lease with an option to purchase contract.

13 2. Notwithstanding any other provision of law, a lease with the option
14 to purchase contract must be in writing and shall apply to the resale of
15 manufactured or mobile homes. The lease with the option to purchase
16 contract must be signed by all parties to the transaction and contain
17 all the terms to which they have agreed, including a designation as to
18 whether the buyer or the seller shall be responsible for the payment of
19 any utilities, manufactured home park rent, fees, dues, or any other
20 anticipated cost applicable to the manufactured or mobile home.

21 3. (a) At least five business days prior to the execution of the lease
22 with the option to purchase contract, the seller shall, at his or her
23 expense:

24 (1) perform a certified search through the uniform commercial
25 code/lien search from the New York state department of state;

26 (2) perform a records search from the county clerk of the county where
27 the manufactured or mobile home is located;

28 (3) perform a records search from the county clerk of the county where
29 the seller resides, if different from the county where the manufactured
30 or mobile home is located; and

31 (4) receive copies of the results of the searches required under para-
32 graphs one, two, and three of this subdivision;

33 (b) provide a copy to the buyer, either by certified mail or in
34 person, of each of the searches required under subparagraph one of para-
35 graph (a) of this subdivision; and

36 (c) discharge any lien or any security interest encumbering the manu-
37 factured or mobile home, if any exist.

38 4. In the event that the manufactured or mobile home is located in a
39 manufactured home park, as defined in paragraph three of subdivision a
40 of section two hundred thirty-three of this article, the execution of
41 the lease with the option to purchase contract is contingent on the
42 manufactured home park owner's or operator's approval of the buyer as a
43 manufactured home park tenant upon execution of the lease and throughout
44 the buyer's tenancy in such manufactured home park; provided, however,
45 that nothing in this subdivision shall limit the rights of the manufac-
46 tured home park owner or operator to evict a manufactured home park
47 tenant pursuant to subdivision b of section two hundred thirty-three of
48 this article.

49 5. Upon signing of the lease with the option to purchase contract by
50 all parties involved, the seller shall provide the buyer with a copy of
51 the signed lease with the option to purchase contract.

52 6. Within thirty days of the execution of the lease with the option to
53 purchase contract, the seller shall:

54 (a) record such lease with the option to purchase contract with the
55 county where the manufactured or mobile home is located and the county
56 where the buyer resides; and

1 (b) deliver to the buyer a receipt of the recorded transaction or
2 transactions via certified mail, return receipt requested.

3 7. The requirements of subdivision three of this section shall be
4 written or printed clearly and conspicuously in the lease with the
5 option to purchase contract.

6 8. Upon fulfillment of all contingencies included in the lease with
7 the option to purchase contract, the seller shall give the buyer the
8 certificate of title or proof of ownership of the manufactured or mobile
9 home, whichever the case may be. For the purposes of this subdivision,
10 "proof of ownership" can be any written document, signed and dated by
11 the seller and the buyer, indicating the transfer of possession of the
12 mobile or manufactured home from the seller to the buyer. "Proof of
13 ownership" can also include the lease with the option to purchase
14 contract, provided that the buyer has successfully completed all contin-
15 gencies required in the lease with the option to purchase contract.

16 9. The following provisions shall apply to and be included in every
17 lease with the option to purchase contract:

18 (a) The full name, the place of residence, and post office address of
19 all parties to the lease with the option to purchase contract;

20 (b) The date when signed by the buyer;

21 (c) A description of the manufactured or mobile home covered by the
22 lease with the option to purchase contract, which shall include the
23 size, year, and serial number of the mobile or manufactured home or the
24 mobile or manufactured home's certification label issued by the United
25 States department of housing and urban development. The description
26 shall also include a list of all fixtures, such as those for heating,
27 plumbing, and lighting, as well as any appliances that are currently
28 installed in the mobile or manufactured home;

29 (d) Information on whether any fees or public charges are delinquent
30 or have been levied against the manufactured or mobile home, including
31 any that may have been imposed by or owed to the manufactured home park
32 owner;

33 (e) A provision that the buyer has the right to accelerate any
34 payments;

35 (f) Whether the seller has received written notice from any state or
36 local government entity requiring any repairs or improvements to be made
37 to the manufactured or mobile home subject to the lease with the option
38 to purchase contract;

39 (g) The following notice: "NOTICE TO THE BUYER: (1) Do not sign this
40 lease with the option to purchase contract before you read it or if it
41 contains any blank spaces. (2) You are entitled to a completely filled
42 in copy of this lease with the option to purchase contract when you sign
43 it. (3) Under the law, you have the right to pay off in advance the full
44 amount due."

45 10. The lease with the option to purchase contract shall also contain
46 in simple tabular form, the following separate paragraphs in the follow-
47 ing order:

48 (a) The cash price of the manufactured or mobile home subject to the
49 lease with the option to purchase contract;

50 (b) Any charge or fee that is included in the lease with the option to
51 purchase contract separate from the cash price;

52 (c) The sum of paragraphs (a) and (b);

53 (d) The amount of any down payment made by or on behalf of the buyer;

54 (e) The principal balance owed, which is the sum of paragraph (c) less
55 paragraph (d); and

1 (f) The amount and schedule of each payment and the total number of
2 all periodic payments.

3 11. No seller shall:

4 (a) place or hold any mortgage on any manufactured or mobile home sold
5 under a lease with the option to purchase contract; or

6 (b) cause any insurance coverage on the manufactured or mobile home to
7 lapse or end for the duration of the lease with the option to purchase
8 contract.

9 12. Failure of the seller to comply with this section shall give the
10 buyer the unconditional right to cancel the lease with the option to
11 purchase contract and receive immediate refund of all payments and
12 deposits made on account of or in contemplation of the lease with the
13 option to purchase contract.

14 § 2. This act shall take effect immediately.