

STATE OF NEW YORK

1611

2021-2022 Regular Sessions

IN ASSEMBLY

January 11, 2021

Introduced by M. of A. CARROLL, DINOWITZ, GLICK, ENGLEBRIGHT, SIMON --
read once and referred to the Committee on Banks

AN ACT in relation to requiring the forbearance of residential mortgage
payments for any mortgagor who demonstrates financial hardship as a
result of the COVID-19 pandemic

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

1 Section 1. 1. As used in this section, the following terms shall have
2 the following meanings:

3 (a) "COVID-19 pandemic" means the global outbreak of COVID-19, the
4 disease caused by the novel coronavirus;

5 (b) "banking institution" means any banking organization as defined
6 under the banking law; and

7 (c) "trial period plan" means an agreement whereby the mortgagor is
8 required to make trial payments in full and on-time in order to be
9 considered for a permanent loan modification.

10 2. Notwithstanding any other provision of law, banking institutions
11 shall:

12 (a) make applications for forbearance of any payment due on a residen-
13 tial mortgage of a property located in New York widely available to any
14 mortgagor who demonstrates financial hardship as a result of the COVID-
15 19 pandemic including, but not limited to, those who are already in
16 arrears or on a trial period plan or who have applied for loss miti-
17 gation;

18 (b) grant such forbearance for a period of at least one year to any
19 such mortgagor who demonstrates financial hardship including, but not
20 limited to, those who are already in arrears or on a trial period plan
21 or who have applied for loss mitigation; and

22 (c) extend the term of the loan for the length of the period of
23 forbearance.

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

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1 3. Notwithstanding any other provision of law, adherence with this
2 section shall be a condition precedent to commencing a foreclosure
3 action stemming from missed payments which would have otherwise been
4 subject to this section. A defendant may raise the violation of this
5 section as a defense to a foreclosure action commenced on the defend-
6 ant's property when such action is based on missed payments that would
7 have otherwise been subject to this section.

8 4. Notwithstanding any other provision of law, any interest collected
9 on a mortgage which was granted a forbearance under this section in the
10 last year of such mortgage shall not be taxable as for the banking
11 institution.

12 § 2. This act shall take effect immediately.