

# STATE OF NEW YORK

6358

2023-2024 Regular Sessions

## IN ASSEMBLY

April 5, 2023

Introduced by M. of A. WEPRIN -- Multi-Sponsored by -- M. of A. COOK,  
McDONOUGH, ZEBROWSKI -- read once and referred to the Committee on  
Banks

AN ACT to amend the banking law and the real property law, in relation  
to credit line mortgages

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

1 Section 1. Section 380-g of the banking law, as added by chapter 625  
2 of the laws of 1976, is amended to read as follows:

3 § 380-g. Power to engage in line of credit financing of residential  
4 real estate. 1. A savings and loan association is authorized to invest  
5 an amount, not exceeding the lesser of (a) ten per centum of the sum of  
6 its surplus, undivided profits, and reserves or (b) one per centum of  
7 its assets, in loans or in interests therein the principal purpose of  
8 which is to provide financing with respect to what is or is expected to  
9 become primarily residential real estate within this state, where (i)  
10 the association relies substantially for repayment on the borrower's  
11 general credit standing, with or without other security, or (ii) the  
12 association relies on other assurances for repayment, including but not  
13 limited to a guaranty or similar obligation of a third party, and, in  
14 either case described in clause (i) or (ii), regardless of whether or  
15 not the association takes security.

16 2. A savings and loan association shall not have the authority to  
17 block access to credit line funds by a borrower or to otherwise revoke  
18 the terms of a credit line mortgage when a borrower is current on repay-  
19 ment of such indebtedness.

20 § 2. Section 281 of the real property law is amended by adding a new  
21 subdivision 2-a to read as follows:

22 2-a. An authorized lender shall not have the authority to block access  
23 to credit line funds by a borrower or to otherwise revoke the terms of a

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

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- 1 credit line mortgage when a borrower is current on repayment of such
- 2 indebtedness.
- 3 § 3. This act shall take effect immediately.