

STATE OF NEW YORK

7125

2023-2024 Regular Sessions

IN SENATE

May 18, 2023

Introduced by Sen. BRESLIN -- read twice and ordered printed, and when printed to be committed to the Committee on Judiciary

AN ACT to amend the real property law, in relation to prohibiting mortgagees from requiring mortgagors of certain real property to purchase flood insurance exceeding certain limits

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
2 283 to read as follows:

3 § 283. Limits to compulsory flood insurance. No mortgagee shall
4 require a mortgagor to whom the mortgagee makes, increases, extends, or
5 renews any loan or line of credit secured by improved real property to
6 purchase or pay for flood insurance on such property: (1) at a coverage
7 amount that exceeds the outstanding mortgage thereon; or (2) that
8 includes coverage for contents. In each instance where a mortgagee
9 requires a mortgagor to purchase or pay for flood insurance on such
10 property, the mortgagee shall provide notice to the mortgagor of the
11 need to purchase or pay for flood insurance that states the following in
12 clear and conspicuous print: 'Please note that the flood insurance we
13 are requiring you to purchase will only protect your creditor/lender's
14 interest in your property. It may not be sufficient to pay for many
15 needed repairs after a flood and may not compensate you for your losses
16 in the property due to the flood. If you wish to protect your home or
17 investment, you may wish to purchase more flood insurance than the
18 amount we are requiring you to buy.'

19 § 2. This act shall take effect immediately.

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

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