

STATE OF NEW YORK

3218

2025-2026 Regular Sessions

IN ASSEMBLY

January 23, 2025

Introduced by M. of A. ROSENTHAL -- read once and referred to the Committee on Judiciary

AN ACT to amend the real property law, in relation to prohibiting the recording of conveyances suspected to be fraudulent

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

Section 1. Section 291 of the real property law, as amended by chapter 641 of the laws of 2019, is amended to read as follows:

§ 291. Recording of conveyances. 1. A conveyance of real property, within the state, on being duly acknowledged by the person executing the same, or proved as required by this chapter, and such acknowledgment or proof duly certified when required by this chapter, may be recorded in the office of the clerk of the county where such real property is situated, and such county clerk or city registrar where applicable shall, upon the request of any party, on tender of the lawful fees therefor, record the same in said office.

(a) A county clerk or city registrar shall not register any conveyance for real property if the clerk or registrar has reason to believe that the conveyance is false or fraudulent in any manner. If the county clerk or city registrar has reason to believe or suspect that the conveyance is fraudulent, the office of the clerk or registrar shall conduct reasonable investigation into the transaction.

(b) If after reasonable investigation the transaction is suspected or believed to be false or fraudulent, the office of the clerk or the city registrar shall report the investigation to local law enforcement, or, if in the city of New York, the office of the sheriff.

(c) The office of the clerk or city registrar shall notify the buyer and seller of property of any investigation and provide the opportunity for each party to participate in the investigation.

2. Every such conveyance not so recorded is void as against any person who subsequently purchases or acquires by exchange or contracts to

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

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1 purchase or acquire by exchange, the same real property or any portion
2 thereof, or acquires by assignment the rent to accrue therefrom as
3 provided in section two hundred ninety-four-a of this article, in good
4 faith and for a valuable consideration, from the same vendor or assign-
5 nor, ~~[his]~~ such person's distributees or devisees, and whose conveyance,
6 contract or assignment is first duly recorded, and is void as against
7 the lien upon the same real property or any portion thereof arising from
8 payments made upon the execution of or pursuant to the terms of a
9 contract with the same vendor, ~~[his]~~ such person's distributees or devi-
10 sees, if such contract is made in good faith and is first duly recorded.

11 3. Notwithstanding the foregoing, any increase in the principal
12 balance of a mortgage lien by virtue of the addition thereto of unpaid
13 interest in accordance with the terms of the mortgage shall retain the
14 priority of the original mortgage lien as so increased provided that any
15 such mortgage instrument sets forth its terms of repayment.

16 4. The clerk of the county or city registrar where such conveyance of
17 residential real property is recorded and maintained shall mail via
18 certified mail a written notice of such conveyance to the owner of
19 record. The notice shall have the heading printed in 20 point bold type
20 and read as follows:

21 "NOTICE OF SALE OR TRANSFER OF OWNERSHIP OF YOUR RESIDENTIAL PROPERTY.

22 To: _____
23 Name of owner of record

24 Our records show that you are listed as the current owner of record for
25 residential property:

26 Block # _____ Lot # _____

27 Located At: _____
28 street address

29 in the county of _____ New York
30 On _____, documents were filed at this
31 date

32 office to change ownership and transfer title of your property.

33 To: _____
34 name of new owner

35 If you have any questions regarding the validity of the documents, and
36 wish to dispute the recording of the transfer, you should obtain legal
37 counsel. If you believe you are a victim of a crime related to this
38 recording, contact your local law enforcement agency or, if in the City
39 of New York, the office of the sheriff."

40 The party seeking to record such conveyance shall bear the cost of
41 such written notice. The clerk of the county or city registrar is enti-
42 tled to charge a reasonable fee to cover the cost of mailing the envel-
43 ope to the owner of record. Failure to mail such notice or the failure
44 of any party to receive the same, shall not affect the validity of the
45 conveyance of the property.

46 § 2. This act shall take effect on the ninetieth day after it shall
47 have become a law.