STATE OF NEW YORK

618

2025-2026 Regular Sessions

IN SENATE

(Prefiled)

January 8, 2025

Introduced by Sen. COMRIE -- read twice and ordered printed, and when printed to be committed 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 Assembly, do enact as follows:

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

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

2. A savings and loan association shall not revoke, or otherwise block, a borrower's access to credit financing of residential real estate authorized pursuant to subdivision one of this section if such borrower is current on repayment related to such credit financing of residential real estate.

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

2-a. An authorized lender shall not revoke, or otherwise block, a borrower's access to credit line mortgages authorized pursuant to this section if such borrower is current on repayment related to such credit line mortgage.

§ 3. 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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