

# STATE OF NEW YORK

7933

2025-2026 Regular Sessions

## IN SENATE

May 14, 2025

Introduced by Sen. COONEY -- read twice and ordered printed, and when printed to be committed to the Committee on Housing, Construction and Community Development

AN ACT to amend the real property actions and proceedings law, in relation to a right of action where registration fees are imposed on mortgagees in default

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

- 1 Section 1. Subdivisions 3 and 8 of section 1393 of the real property  
2 actions and proceedings law, as added by chapter 600 of the laws of  
3 2022, are amended to read as follows:
- 4 3. Any local law, ordinance or resolution that allows for the regis-  
5 tration of residential mortgages in default may impose a registration  
6 fee not exceeding [~~seventy-five~~] three hundred dollars annually. A mort-  
7 gagee and/or its agents are prohibited from passing along such fees to  
8 the mortgagor in default.
- 9 8. Right of action. Any person that has been damaged as a result of  
10 the mortgagee and/or its agents passing down fees to the mortgagor in  
11 default shall be entitled to bring an action for recovery of damages in:  
12 (a) the county in which all or a substantial part of the events or  
13 omissions giving rise to the claim occurred;  
14 (b) the county of residence for any one of the defendants who is a  
15 natural person at the time the cause of action accrued;  
16 (c) the county of the principal office in this state of any one of the  
17 defendants that is not a natural person; or  
18 (d) the county of residence for any plaintiff if the plaintiff is a  
19 natural person residing in this state.
- 20 9. The provisions of this section shall supersede any local law, ordi-  
21 nance, or resolution requiring the registration of mortgages in default  
22 that was enacted prior to the effective date of this section.
- 23 § 2. This act shall take effect immediately.

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

LBD11543-01-5