

1430

2009-2010 Regular Sessions

I N   A S S E M B L Y

(PREFILED)

January 7, 2009

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Introduced by M. of A. WRIGHT -- read once and referred to the Committee  
on Banks

AN ACT to amend the banking law, in relation to requiring mortgage  
investing institutions to provide notice when personal mortgage insur-  
ance is no longer required

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEM-  
BLY, DO ENACT AS FOLLOWS:

1     Section 1. The banking law is amended by adding a new section 6-n to  
2     read as follows:  
3     S 6-N. PERSONAL MORTGAGE INSURANCE. 1. DEFINITIONS. AS USED IN THIS  
4     SECTION:  
5     (A) "MORTGAGE INVESTING INSTITUTION" MEANS ANY BANK, TRUST COMPANY,  
6     NATIONAL BANK, SAVINGS BANK, SAVINGS AND LOAN ASSOCIATION, FEDERAL  
7     SAVINGS BANK, FEDERAL SAVINGS AND LOAN ASSOCIATION, PRIVATE BANKER,  
8     CREDIT UNION, FEDERAL CREDIT UNION, INVESTMENT COMPANY, PENSION FUND,  
9     LICENSED MORTGAGE BANKER OR ANY OTHER ENTITY WHICH REQUIRES A MORTGAGOR  
10    TO MAINTAIN PERSONAL MORTGAGE INSURANCE.  
11    (B) "MORTGAGOR" MEANS A PERSON OR PERSONS HAVING TITLE TO AND OCCUPY-  
12    ING A ONE TO FOUR FAMILY RESIDENCE LOCATED IN THIS STATE AND WHICH IS  
13    SUBJECT TO A MORTGAGE.  
14    (C) "PERSONAL MORTGAGE INSURANCE" MEANS A POLICY OF INSURANCE, THE  
15    PREMIUMS FOR WHICH ARE PAID BY A MORTGAGOR, WHICH PROVIDES COVERAGE FOR  
16    THE DIFFERENCE BETWEEN THE PRINCIPAL OWED ON A MORTGAGE AND THE AMOUNT  
17    WHICH WOULD BE DERIVED AT A FORECLOSURE SALE OF THE REAL PROPERTY  
18    SUBJECT TO SUCH MORTGAGE.  
19    2. NOTICE. EVERY MORTGAGE INVESTING INSTITUTION SHALL PROVIDE WRITTEN  
20    NOTICE TO A MORTGAGOR WHEN SUCH MORTGAGOR IS NO LONGER REQUIRED TO MAIN-  
21    TAIN PERSONAL MORTGAGE INSURANCE COVERAGE. SUCH NOTICE SHALL BE DELIV-  
22    ERED TO THE MORTGAGOR WITHIN THIRTY DAYS OF THE DATE UPON WHICH THE  
23    MORTGAGOR SHALL HAVE ACQUIRED SUFFICIENT EQUITY IN THE REAL PROPERTY

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

LBD00245-01-9

1 SUBJECT TO THE MORTGAGE SO AS TO ELIMINATE THE NECESSITY FOR PERSONAL  
2 MORTGAGE INSURANCE COVERAGE.  
3 S 2. This act shall take effect on the thirtieth day after it shall  
4 have become a law.