S T A T E O F N E W Y O R K

3192

2009-2010 Regular Sessions

I N A S S E M B L Y

January 23, 2009

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

AN ACT to amend the real property law, in relation to requiring a loan counseling disclosure as part of contract of sale for the transfer of property

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

Section 1. The real property law is amended by adding a new section 242-a to read as follows:

S 242-A. LOAN COUNSELING DISCLOSURE AS PART OF CONTRACT OF SALE. 1. A LOAN COUNSELING DISCLOSURE NOTICE SHALL BE ATTACHED TO ALL CONTRACTS OF COMMERCIAL OR RESIDENTIAL SALE OF REAL PROPERTY IDENTIFYING BASIC HOMEOWNERSHIP INFORMATION, INCLUDING, BUT NOT LIMITED TO, THE TYPES OF MORTGAGES, DANGERS OF RATES, REFINANCING, HOME EQUITY LOANS AND ASSUMPTION OF MORTGAGES. MODIFICATIONS AND EXTENSIONS OF MORTGAGES ARE EXCLUDED FROM SUCH REQUIREMENT.

2. (A) SUCH FORM SHALL BE SIGNED AT THE TIME OF CONTRACT AND ATTACHED TO THE CONTRACT OF SALE. ATTORNEYS SHALL UPDATE THEIR LIST OF APPROVED COUNSELORS VIA HUD OR THE DEPARTMENT OF HOUSING PRESERVATION & DEVELOPMENT EVERY ONE HUNDRED EIGHTY DAYS. THEY MAY DO SO BY DOWNLOADING THE LATEST LIST OF APPROVED COUNSELORS FROM THE HUD OR HPD WEBSITES. BORROWERS CAN RECEIVE COUNSELING IN PERSON OR IN WHOLE OR IN PART BY TELEPHONIC MEANS. THE COUNSELOR MAY ALSO REFER A BORROWER TO THE INTERNET FOR FURTHER INFORMATION.

(B) THE FOLLOWING FORM SHALL BE PROVIDED TO EVERY BORROWER ENTERING INTO A CONTRACT OF SALE FOR COMMERCIAL OR RESIDENTIAL REAL PROPERTY. SUCH FORM SHALL BE IN AT LEAST 12-POINT TYPE.

LOAN COUNSELING DISCLOSURE

1. I HEREBY CERTIFY THAT ON _____ (DATE) I HAVE RECEIVED THE LIST OF APPROVED HOME LOAN COUNSELORS DOING BUSINESS WITHIN ONE HUNDRED (100)

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

LBD02017-01-9

MILES OF THE CITY, TOWN, VILLAGE OF _____ IN THE COUNTY OF _____

2. I UNDERSTAND THAT I HAVE THE RIGHT TO CONSULT WITH A HOME LOAN COUNSELOR AT ANY TIME BEFORE OR AFTER EXECUTION OF LOAN DOCUMENTS. SUCH COUNSELOR MAY ADVISE ME REGARDING MY RIGHTS, RESPONSIBILITIES AND CURRENT & FUTURE OBLIGATIONS AS A HOME BUYER.

3. I FURTHER UNDERSTAND THAT IF I CHOOSE TO ENTER INTO ANY OF THE FOLLOWING MORTGAGE ARRANGEMENTS, I MAY BE SUBJECT TO INCREASED INTEREST RATES AND HIGHER MONTHLY PAYMENTS AT A FUTURE TIME:

A) OPEN ARM (ADJUSTABLE RATE MORTGAGE)
B) INTEREST ONLY MORTGAGE
C) NEGATIVE AMORTIZATION LOAN
D) PIGGYBACK MORTGAGE
E) ADJUSTABLE RATE MORTGAGE
F) LONG-TERM (40 YEAR) FIXED RATE MORTGAGE

SIGNED _____

S 2. This act shall take effect on the one hundred eightieth day after it shall have become a law; provided, however, that effective immediately, the addition, amendment and/or repeal of any rule or regulation necessary for the implementation of this act on its effective date are authorized and directed to be made and completed on or before such effective date.