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

3318

2009-2010 Regular Sessions

I N A S S E M B L Y

January 26, 2009

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

AN ACT to amend the banking law, in relation to requiring the mortgage bill of rights pamphlet on residential mortgages to be posted and printed in the eight languages which are most spoken in the state

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

Section 1. Subdivision 1 of section 35 of the banking law, as added by a chapter of the laws of 2009, entitled "AN ACT" to amend the banking law, in relation to directing licensed mortgage bankers and authorized mortgage loan originators to provide mortgage applicants with a mortgage bill of rights pamphlet on residential mortgages, is amended to read as follows:

1. The superintendent [of banks] shall develop a pamphlet known as "the mortgage applicant's bill of rights" and post such pamphlet on the [banking] department's website. *SUCH PAMPHLET SHALL BE POSTED AND PRINTED IN THE EIGHT LANGUAGES WHICH ARE MOST SPOKEN IN THIS STATE.* Copies of such pamphlet shall be provided to all licensed lenders and banking organizations offering residential mortgage services. A copy of such pamphlet shall be provided by licensed lenders and banking organization to each person before such person enters into an application for a loan secured by a mortgage upon residential real estate. *THE PAMPHLET PROVIDED TO EACH SUCH PERSON SHALL BE PRINTED IN A LANGUAGE WHICH THE PERSON IS CAPABLE OF READING AND UNDERSTANDING.* Furthermore, such licensed lender and banking organization shall not accept an application for a residential mortgage until the person or persons applying for a mortgage have been provided a copy of the booklet and acknowledged receipt of it in writing. Every licensed lender and banking organization shall maintain such acknowledgement along with the applicant's mortgage loan documents.

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

LBD00035-01-9

S 2. This act shall take effect on the same date and in the same manner as a chapter of the laws of 2009, entitled "AN ACT" to amend the banking law, in relation to directing licensed mortgage bankers and authorized mortgage loan originators to provide mortgage applicants with a mortgage bill of rights pamphlet on residential mortgages, takes effect.