

5892

2009-2010 Regular Sessions

I N S E N A T E

June 18, 2009

Introduced by Sen. ESPADA -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

AN ACT to amend the private housing finance law, in relation to small loans to owners of multiple dwellings to remove substandard or insanitary conditions and to loans to owner-occupants of one-to-four unit private and multiple dwellings

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

1 Section 1. Subdivision 2 of section 452 of the private housing finance
2 law, as amended by chapter 449 of the laws of 2004, is amended to read
3 as follows:
4 2. Each loan shall be evidenced by a note executed by the owner of the
5 existing multiple dwelling. The supervising agency in its discretion may
6 require one or more of the shareholders of a corporate owner to co-sign
7 such note or to otherwise guarantee or pledge security for the repayment
8 of the loan. The amount of any such loan shall not exceed the sum of
9 thirty-five thousand dollars (\$35,000) per dwelling unit, or the cost of
10 eliminating such substandard or insanitary condition or conditions, or
11 effecting such rehabilitation or improvement, whichever is less. Each
12 such note shall be repaid within a period of [thirty years or such
13 shorter period as the supervising agency shall determine, but in no
14 event longer than the useful life of the rehabilitation or improvement
15 financed with such loan] THE PROBABLE LIFE OF THE EXISTING MULTIPLE
16 DWELLING WHICH IS HEREBY DETERMINED TO BE THIRTY YEARS, OR SUCH SHORTER
17 PERIOD AS THE SUPERVISING AGENCY SHALL DETERMINE. The repayment shall
18 be made in such manner as may be provided in such note and contract, if
19 any, in connection with such loan and may authorize such owner, with the
20 consent of the supervising agency, to prepay the principal of the loan
21 subject to such terms and conditions as therein provided. Such note and
22 contract may contain such other terms and provisions not inconsistent
23 with the provisions of this article as the local legislative body or

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

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1 supervising agency may deem necessary or desirable to secure repayment
2 of the loan, the interest thereon and other charges in connection there-
3 with and to carry out the purposes and provisions of this article,
4 including but not limited to provisions ensuring availability of rents
5 for such repayment.

6 S 2. Subdivision 2 of section 472 of the private housing finance law,
7 as amended by chapter 705 of the laws of 1991, is amended to read as
8 follows:

9 2. Each loan shall be evidenced by a note executed by the owner-occu-
10 pant of the existing dwelling. Repayment of each such note shall be
11 within a period of [thirty years or such shorter period as the agency
12 shall determine, but in no event longer than the useful life of the
13 rehabilitation or improvement financed with such loan] THE PROBABLE LIFE
14 OF THE EXISTING DWELLING WHICH IS HEREBY DETERMINED TO BE THIRTY YEARS,
15 OR SUCH SHORTER PERIOD AS THE AGENCY SHALL DETERMINE. The repayment
16 shall be made in such manner as may be provided in such note and
17 contract, if any, in connection with such loan, and may authorize such
18 owner-occupant, with the consent of the agency, to prepay the principal
19 of the loan subject to such terms and conditions as therein provided. In
20 order to make any such loan affordable to the owner-occupant, the agency
21 may provide in such note and contract that all of the outstanding prin-
22 cipal of said loan may be self-liquidated over a fifteen year period of
23 owner-occupancy. Such note and contract may contain such other terms and
24 provisions not inconsistent with the provisions of this article as the
25 agency may deem necessary or desirable to secure repayment of the loan,
26 the interest thereon, if any, and other charges in connection therewith,
27 and to carry out the purposes and provisions of this article.

28 S 3. This act shall take effect immediately.