

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

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I N S E N A T E

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Introduced by Sens. KLEIN, C. JOHNSON, KRUEGER, MONTGOMERY, ONORATO, SAVINO -- read twice and ordered printed, and when printed to be committed to the Committee on Rules -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- recommitted to the Committee on Judiciary in accordance with Senate Rule 6, sec. 8 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- reported favorably from said committee and committed to the Committee on Codes -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- reported favorably from said committee, ordered to first and second report, ordered to a third reading, passed by Senate and delivered to the Assembly, recalled, vote reconsidered, restored to third reading, amended and ordered reprinted, retaining its place in the order of third reading

AN ACT to amend the real property law, in relation to distressed property consultants advertisements

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

1 Section 1. Section 265-b of the real property law is amended by adding
2 a new subdivision 3-a to read as follows:
3 3-A. DISTRESSED PROPERTY CONSULTANT ADVERTISEMENTS. (A) ALL ADVERTISE-
4 MENTS DISSEMINATED BY A DISTRESSED PROPERTY CONSULTANT MUST PROMINENTLY
5 INCLUDE THE FOLLOWING STATEMENT: "IN NEW YORK STATE, HOUSING COUNSELORS,
6 WHO ARE APPROVED BY THE U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT
7 OR THE NEW YORK STATE BANKING DEPARTMENT, MAY PROVIDE THE SAME OR SIMI-
8 LAR SERVICES AS A DISTRESSED PROPERTY CONSULTANT FOR FREE. A LIST OF
9 APPROVED HOUSING COUNSELORS CAN BE FOUND ON THE NEW YORK STATE BANKING
10 DEPARTMENT WEBSITE AT WWW.BANKING.STATE.NY.US OR BY CONTACTING THE NEW
11 YORK STATE BANKING DEPARTMENT TOLL-FREE AT 1-877-BANK-NYS
12 (1-877-226-5697). YOU SHOULD CONSIDER CONSULTING AN ATTORNEY OR A
13 GOVERNMENT-APPROVED HOUSING COUNSELOR BEFORE SIGNING ANY LEGAL DOCUMENT

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

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1 CONCERNING A DISTRESSED PROPERTY CONSULTANT." SUCH STATEMENT, IF
2 DISSEMINATED BY PRINT MEDIA OR THE INTERNET, SHALL BE CLEARLY AND LEGI-
3 BLY PRINTED OR DISPLAYED IN NOT LESS THAN TWELVE-POINT BOLD TYPE, OR, IF
4 THE ADVERTISEMENT IS PRINTED TO BE DISPLAYED IN PRINT THAT IS SMALLER
5 THAN TWELVE POINT, IN BOLD TYPE PRINT THAT IS NO SMALLER THAN THE PRINT
6 IN WHICH THE TEXT OF THE ADVERTISEMENT IS PRINTED OR DISPLAYED.

7 (B) FOR THE PURPOSES OF THIS SUBDIVISION, THE TERM "ADVERTISEMENT"
8 SHALL INCLUDE, BUT IS NOT LIMITED TO, ALL FORMS OF MARKETING, SOLICITA-
9 TION, OR DISSEMINATION OF INFORMATION RELATED, DIRECTLY OR INDIRECTLY,
10 TO SECURING OR OBTAINING A CONSULTING CONTRACT OR SERVICES. FURTHER, IT
11 SHALL INCLUDE ANY AND ALL COMMONLY RECOGNIZED FORMS OF MEDIA MARKETING
12 VIA TELEVISION, RADIO, PRINT MEDIA, ALL FORMS OF ELECTRONIC COMMUNI-
13 CATION VIA THE INTERNET, AND ALL PREPARED SALES PRESENTATIONS GIVEN IN
14 PERSON OR OVER THE INTERNET TO THE GENERAL PUBLIC.

15 (C) THE ADVERTISING PROVISIONS OF THIS SUBDIVISION SHALL APPLY TO ALL
16 DISTRESSED PROPERTY CONSULTANTS WHO DISSEMINATE ADVERTISEMENTS IN THE
17 STATE OF NEW YORK OR WHO INTEND TO DIRECTLY OR INDIRECTLY CONTACT A
18 HOMEOWNER WHO HAS PROPERTY LOCATED IN NEW YORK STATE. DISTRESSED PROPER-
19 TY CONSULTANTS SHALL ESTABLISH AND AT ALL TIMES MAINTAIN CONTROL OVER
20 THE CONTENT, FORM AND METHOD OF DISSEMINATION OF ALL ADVERTISEMENTS OF
21 ITS SERVICES. FURTHER, ALL ADVERTISEMENTS SHALL BE SUFFICIENTLY COMPLETE
22 AND CLEAR TO AVOID THE POSSIBILITY OF DECEPTION OR THE ABILITY TO
23 MISLEAD OR DECEIVE.

24 S 2. This act shall take effect on the sixtieth day after it shall
25 have become a law.