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

6657--A

I N S E N A T E

January 25, 2010

Introduced by Sen. MONTGOMERY -- read twice and ordered printed, and when printed to be committed to the Committee on Corporations, Authorities and Commissions -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the public authorities law, in relation to the insurance of certain preservation loans by the state of New York mortgage agency mortgage insurance fund; and providing for the repeal of such provisions upon expiration thereof

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

Section 1. Section 2428 of the public authorities law is amended by adding a new subdivision 2-a to read as follows:

2-A. THE AGENCY MAY ISSUE A COMMITMENT TO PROVIDE AND MAY INSURE A PRESERVATION LOAN IN AN AMOUNT EQUAL TO THE FULL OUTSTANDING PRINCIPAL INDEBTEDNESS OF SUCH PRESERVATION LOAN IF: (A) THE EXISTING INDEBTEDNESS SHALL HAVE BEEN ORIGINATED DURING THE PERIOD FROM JANUARY FIRST, TWO THOUSAND FOUR THROUGH DECEMBER THIRTY-FIRST, TWO THOUSAND EIGHT; (B) THE AMOUNT OF EACH INSURED PRESERVATION LOAN SHALL NOT EXCEED ONE HUNDRED FIFTY MILLION DOLLARS; (C) SUCH PRESERVATION LOAN SHALL PRESERVE OR CREATE AFFORDABLE HOUSING ACCOMMODATIONS; AND (D) THE PRESERVATION LOAN SHALL HAVE BEEN MADE BY A PUBLIC BENEFIT CORPORATION OF THE STATE OF NEW YORK WHICH PUBLIC BENEFIT CORPORATION HAS ISSUED OR WILL ISSUE BONDS OR NOTES, SOME OR ALL OF THE PROCEEDS OF WHICH BONDS OR NOTES SHALL HAVE BEEN, OR WILL BE, USED TO MAKE SUCH PRESERVATION LOAN, OR THE PRESERVATION LOAN SHALL HAVE BEEN MADE BY A PUBLIC EMPLOYEE PENSION FUND.

S 2. Paragraph (c) of subdivision 8 of section 2428 of the public authorities law, as amended by chapter 113 of the laws of 2000, is amended to read as follows:

(c) The agency shall not issue a commitment to insure nor shall it provide loan insurance for a preservation loan unless: (i) such loan is made with respect to a one to four family dwelling; or (ii) such loan is made with respect to a building, which on the effective date of this subparagraph, is owned by a cooperative housing corporation formed for the purpose of the cooperative ownership of residential real estate in

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

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the state where such refinancing is not otherwise available and such loan will facilitate or accommodate affordable homeownership opportunities; or (iii) such loan is made with respect to the real property and improvements owned by a cooperative housing corporation formed for the purpose of the cooperative ownership of residential manufactured homes in the state where such refinancing is not otherwise available and such loan will facilitate or accommodate affordable homeownership opportunities; OR (IV) SUCH LOAN IS MADE WITH RESPECT TO MULTI-FAMILY RESIDENTIAL BUILDINGS WITH EXISTING INDEBTEDNESS ORIGINATED DURING THE PERIOD FROM JANUARY FIRST, TWO THOUSAND FOUR THROUGH DECEMBER THIRTY-FIRST, TWO THOUSAND EIGHT, WHERE SUCH LOAN WILL FACILITATE OR ACCOMMODATE THE PRESERVATION OF AFFORDABLE HOUSING ACCOMMODATIONS.

S 3. Construction. This act and all powers granted hereby shall be liberally construed to effectuate its intent and their purposes, without implied limitations thereon. This act shall constitute full and complete authority for all things herein contemplated to be done. All rights and powers herein granted shall be cumulative with those derived from other sources and shall not, except as expressly stated herein, be construed in limitation thereof. Insofar as the provisions of this act are inconsistent with the provisions of any other act, general or special, the provisions of this act shall be controlling.

S 4. Severability clause. If any clause, sentence, paragraph, section or part of this act be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair or invalidate the remainder hereof but shall be applied in its operation to the clause, sentence, paragraph, section or part hereof directly involved in the controversy in which such judgment shall have been rendered.

S 5. This act shall take effect immediately and shall expire and deemed repealed on and after June 30, 2012; provided, however, that the amendments to paragraph (c) of subdivision 8 of section 2428 of the public authorities law made by section two of this act shall not affect the expiration of such subdivision and shall be deemed to expire therewith.