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

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I N A S S E M B L Y

June 8, 2010

Introduced by COMMITTEE ON RULES -- (at request of M. of A. Towns) -- read once and referred to the Committee on Judiciary

AN ACT to amend the real property law, in relation to credit line mortgages

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

Section 1. Subdivision 2 of section 281 of the real property law, as amended by chapter 545 of the laws of 2006, is amended to read as follows:

2. Any credit line mortgage may, and when so expressed therein, shall secure not only the original indebtedness but also the indebtedness created by future advances thereunder made within [twenty-five] THIRTY years from the date of the recording of such credit line mortgage, whether such advances are obligatory or are to be made at the option of the lender or otherwise, to the same extent and with the same priority of lien as if such future advances had been made at the time such credit line mortgage was recorded pursuant to section two hundred ninety-one of this chapter, although there may have been no advances made at the time of the execution and acknowledgment of such credit line mortgage, and although there may be no indebtedness outstanding at the time any advance is made. The total amount of indebtedness that may be so secured by a credit line mortgage may increase or decrease from time to time, but the amount so secured at any one time shall not exceed the maximum amount specified in such credit line mortgage, plus interest thereon at the rate provided therein, and plus any disbursements made to protect the security of such credit line mortgage, with interest on such disbursements at the rate provided therein.

S 2. This act shall take effect immediately.

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

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