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

4734

2009-2010 Regular Sessions

I N A S S E M B L Y

February 5, 2009

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

AN ACT to amend the banking law, in relation to the dealings of mortgage brokers and home improvement contractors

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

Section 1. The banking law is amended by adding a new section 595-c to read as follows:

S 595-C. REGULATION OF DEALINGS OF MORTGAGE BROKERS AND HOME IMPROVEMENT CONTRACTORS. 1. A HOME IMPROVEMENT CONTRACTOR SHALL NOT REPRESENT A MORTGAGE BROKER WHILE SOLICITING HOME IMPROVEMENT CONTRACTS. THE STAFF OF A HOME IMPROVEMENT CONTRACTOR SHALL NOT ACT ON BEHALF OF A MORTGAGE BROKER IN ANY TRANSACTION.

2. A MORTGAGE BROKER SHALL NOT PAY A HOME IMPROVEMENT CONTRACTOR DIRECTLY UNLESS THEY PERFORM THEIR OWN INSPECTION OF THE COMPLETED WORK.

3. FOR THE PURPOSE OF THIS SECTION, "HOME IMPROVEMENT CONTRACTOR" MEANS A PERSON, FIRM OR CORPORATION WHICH OWNS OR OPERATES A HOME IMPROVEMENT BUSINESS OR WHO UNDERTAKES, OFFERS TO UNDERTAKE OR AGREES TO PERFORM ANY HOME IMPROVEMENT FOR A FEE AND FOR WHOM THE TOTAL CASH PRICE OF ALL OF HIS HOME IMPROVEMENT CONTRACTS WITH ALL HIS CUSTOMERS EXCEEDS ONE THOUSAND FIVE HUNDRED DOLLARS DURING ANY PERIOD OF TWELVE CONSECUTIVE MONTHS. HOME IMPROVEMENT CONTRACTOR DOES NOT INCLUDE A PERSON, FIRM, CORPORATION, LANDLORD, COOPERATIVE CORPORATION, CONDOMINIUM BOARD OF MANAGERS, JOINT TENANT OR CO-TENANT THAT OWNS, IN WHOLE OR IN PART, THE PROPERTY TO BE IMPROVED.

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

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

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