

6763

2009-2010 Regular Sessions

I N A S S E M B L Y

March 12, 2009

Introduced by M. of A. FARRELL -- read once and referred to the Committee on Judiciary

AN ACT to amend the real property law, in relation to reverse mortgage loans for persons sixty years of age or older

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

1 Section 1. Subdivision 2 of section 280 of the real property law is
2 amended by adding a new paragraph (d-1) to read as follows:
3 (D-1) SUBJECT TO SUCH RULES OR REGULATIONS AS THE BANKING BOARD SHALL
4 ADOPT, THE AUTHORIZED LENDER, AT ITS OPTION, MAY RECEIVE NO MORE THAN
5 TWENTY PERCENT OF THE FUTURE APPRECIATION OF THE PROPERTY SECURING THE
6 REVERSE MORTGAGE LOAN AS FULL OR PARTIAL CONSIDERATION FOR THE MAKING OF
7 A REVERSE MORTGAGE LOAN; PROVIDED, HOWEVER, THAT SUCH FUTURE APPRECI-
8 ATION SHALL BE LIMITED BY SUCH RULES AND REGULATIONS AS THE BANKING
9 BOARD MAY ADOPT OR THE AUTHORIZED LENDER MAY CHARGE A FIXED RATE OF
10 INTEREST ON THE OUTSTANDING BALANCE OF MONIES ADVANCED UNDER THE REVERSE
11 MORTGAGE AGREEMENT OR ANY COMBINATION THEREOF. ANY SUCH APPRECIATION
12 SHALL NOT BE CONSIDERED INTEREST FOR THE PURPOSES OF ANY LAW REGULATING
13 THE MAXIMUM RATE OF INTEREST WHICH MAY BE CHARGED, TAKEN OR RECEIVED
14 INCLUDING SECTIONS 190.40 AND 190.42 OF THE PENAL LAW; AND
15 S 2. This act shall take effect on the one hundred eightieth day after
16 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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