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

4875

2009-2010 Regular Sessions

I N S E N A T E

April 27, 2009

Introduced by Sen. FOLEY -- read twice and ordered printed, and when printed to be committed to the Committee on Banks

AN ACT to amend the banking law, in relation to refinancing of an existing mortgage loan

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

Section 1. Subdivision 3 of section 595-a of the banking law is amended by adding a new paragraph (e) to read as follows:

(E) FOR ANY REFINANCING OF AN EXISTING MORTGAGE LOAN, WHERE THE MORTGAGOR WILL NO LONGER BE PAYING PROPERTY TAX OR INSURANCE PAYMENTS INTO AN ESCROW ACCOUNT, EACH MORTGAGE BROKER, MORTGAGE BANKER AND EXEMPT ORGANIZATION SHALL, PRIOR TO CLOSING, PROVIDE A SEPARATE DISCLOSURE WHICH COMPARES THE TOTAL MONTHLY PAYMENTS UNDER THE PREVIOUS MORTGAGE WITH THE COMBINED MONTHLY PAYMENTS FOR THE NEW MORTGAGE LOAN, REAL PROPERTY TAXES AND INSURANCE. THE BANKING BOARD MAY SPECIFY THE FORM, CONTENT AND TIMING OF SUCH DISCLOSURE.

S 2. This act shall take effect on the one hundred eightieth 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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