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

5892

2009-2010 Regular Sessions

I N S E N A T E

June 18, 2009

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

AN ACT to amend the private housing finance law, in relation to small loans to owners of multiple dwellings to remove substandard or insanitary conditions and to loans to owner-occupants of one-to-four unit private and multiple dwellings

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

Section 1. Subdivision 2 of section 452 of the private housing finance law, as amended by chapter 449 of the laws of 2004, is amended to read as follows:

2. Each loan shall be evidenced by a note executed by the owner of the existing multiple dwelling. The supervising agency in its discretion may require one or more of the shareholders of a corporate owner to co-sign such note or to otherwise guarantee or pledge security for the repayment of the loan. The amount of any such loan shall not exceed the sum of thirty-five thousand dollars ($35,000) per dwelling unit, or the cost of eliminating such substandard or insanitary condition or conditions, or effecting such rehabilitation or improvement, whichever is less. Each such note shall be repaid within a period of [thirty years or such shorter period as the supervising agency shall determine, but in no event longer than the useful life of the rehabilitation or improvement financed with such loan] *THE PROBABLE LIFE OF THE EXISTING MULTIPLE DWELLING WHICH IS HEREBY DETERMINED TO BE THIRTY YEARS, OR SUCH SHORTER PERIOD AS THE SUPERVISING AGENCY SHALL DETERMINE.* The repayment shall be made in such manner as may be provided in such note and contract, if any, in connection with such loan and may authorize such owner, with the consent of the supervising agency, to prepay the principal of the loan subject to such terms and conditions as therein provided. Such note and contract may contain such other terms and provisions not inconsistent with the provisions of this article as the local legislative body or

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

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supervising agency may deem necessary or desirable to secure repayment of the loan, the interest thereon and other charges in connection therewith and to carry out the purposes and provisions of this article, including but not limited to provisions ensuring availability of rents for such repayment.

S 2. Subdivision 2 of section 472 of the private housing finance law, as amended by chapter 705 of the laws of 1991, is amended to read as follows:

2. Each loan shall be evidenced by a note executed by the owner-occupant of the existing dwelling. Repayment of each such note shall be within a period of [thirty years or such shorter period as the agency shall determine, but in no event longer than the useful life of the rehabilitation or improvement financed with such loan] THE PROBABLE LIFE OF THE EXISTING DWELLING WHICH IS HEREBY DETERMINED TO BE THIRTY YEARS, OR SUCH SHORTER PERIOD AS THE AGENCY SHALL DETERMINE. The repayment shall be made in such manner as may be provided in such note and contract, if any, in connection with such loan, and may authorize such owner-occupant, with the consent of the agency, to prepay the principal of the loan subject to such terms and conditions as therein provided. In order to make any such loan affordable to the owner-occupant, the agency may provide in such note and contract that all of the outstanding principal of said loan may be self-liquidated over a fifteen year period of owner-occupancy. Such note and contract may contain such other terms and provisions not inconsistent with the provisions of this article as the agency may deem necessary or desirable to secure repayment of the loan, the interest thereon, if any, and other charges in connection therewith, and to carry out the purposes and provisions of this article.

S 3. This act shall take effect immediately.