

6113

2009-2010 Regular Sessions

I N S E N A T E

August 3, 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 public authorities law, in relation to the powers of the state of New York mortgage agency

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

1 Section 1. Subdivision 5 of section 2402 of the public authorities
2 law, as amended by section 1 of a chapter of the laws of 2009, amending
3 the public authorities law relating to the powers of the state of New
4 York mortgage agency, as proposed in legislative bills numbers S.5551
5 and A.5753, is amended to read as follows:
6 (5) "Mortgage". A loan owed to a bank secured by a first lien on a fee
7 simple or leasehold estate in real property located in the state and
8 improved by a residential structure, whether or not insured or guaran-
9 teed by the United States of America or any agency thereof. The term
10 "mortgage" shall also include a loan owed to a bank secured by a second
11 lien on a fee simple or leasehold estate in real property located in the
12 state and improved by a residential structure, whether or not insured or
13 guaranteed by the United States of America or any agency thereof,
14 provided, however, that such second lien: (a) secures a loan purchased
15 by the agency, and (b) is made at the same time as a first lien securing
16 a loan purchased by the agency OR BY A GOVERNMENT SPONSORED ENTERPRISE
17 pursuant to [its] THE AGENCY'S programs or is made at the same time as a
18 new housing loan purchased by the agency pursuant to section twenty-four
19 hundred five-c of this part, provided that, in the case of any second
20 lien, the mortgagor shall be obligated to contribute from his or her own
21 verifiable funds an amount not less than such percentage as the agency
22 shall determine, of the lower of the purchase price or appraised value
23 of the property subject to the first lien. "Real property" as used in
24 this subdivision shall include air rights.

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

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1 For the purposes of this title and of section one hundred ninety and
2 subsection (a) of section one thousand four hundred fifty-six of the tax
3 law, "mortgage" shall include housing loans as defined below. Except for
4 the purposes of subdivision seven of section two thousand four hundred
5 five and subdivision eight of section two thousand four hundred five-b
6 of this part, "mortgage" shall also include a loan owed to a bank by an
7 individual borrower incurred for the purpose of financing the purchase
8 of certificates of stock or other evidence of ownership of an interest
9 in, and a proprietary lease from, a cooperative housing corporation
10 formed for the purpose of the cooperative ownership of residential real
11 estate in the state, secured by an assignment or transfer of the bene-
12 fits of such cooperative ownership, and containing such terms and condi-
13 tions as the agency may approve.

14 S 2. Subdivision 5 of section 2402 of the public authorities law, as
15 amended by section 2 of a chapter of the laws of 2009, amending the
16 public authorities law relating to the powers of the state of New York
17 mortgage agency, as proposed in legislative bills numbers S.5551 and
18 A.5753, is amended to read as follows:

19 (5) "Mortgage". A loan owed to a bank secured by a first lien on a fee
20 simple or leasehold estate in real property located in the state and
21 improved by a residential structure, whether or not insured or guaran-
22 teed by the United States of America or any agency thereof. The term
23 "mortgage" shall also include a loan owed to a bank secured by a second
24 lien on a fee simple or leasehold estate in real property located in the
25 state and improved by a residential structure, whether or not insured or
26 guaranteed by the United States of America or any agency thereof,
27 provided, however, that such second lien: (a) secures a loan purchased
28 by the agency, and (b) is made at the same time as a first lien securing
29 a loan purchased by the agency OR BY A GOVERNMENT SPONSORED ENTERPRISE
30 pursuant to [its] THE AGENCY'S programs or is made at the same time as a
31 new housing loan purchased by the agency pursuant to section twenty-four
32 hundred five-c of this part, provided that, in the case of any second
33 lien, the mortgagor shall be obligated to contribute from his or her own
34 verifiable funds an amount not less than such percentage as the agency
35 shall determine, of the lower of the purchase price or appraised value
36 of the property subject to the first lien. "Real property" as used in
37 this subdivision shall include air rights.

38 Except for the purposes of subdivision seven of section two thousand
39 four hundred five of this part, "mortgage" shall also include a loan
40 owed to a bank by an individual borrower incurred for the purpose of
41 financing the purchase of certificates of stock or other evidence of
42 ownership of an interest in, and a proprietary lease from, a cooperative
43 housing corporation formed for the purpose of the cooperative ownership
44 of residential real estate in the state, secured by an assignment or
45 transfer of the benefits of such cooperative ownership, and containing
46 such terms and conditions as the agency may approve.

47 S 3. This act shall take effect on the same date and in the same
48 manner as a chapter of the laws of 2009, amending the public authorities
49 law relating to the powers of the state of New York mortgage agency, as
50 proposed in legislative bills numbers S.5551 and A.5753, takes effect.