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I N   A S S E M B L Y

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Introduced by M. of A. WEINSTEIN, V. LOPEZ, ROBINSON -- Multi-Sponsored  
by -- M. of A. ABINANTI, CLARK, ENGLEBRIGHT, GALEF -- (at request of  
the Office of Court Administration) -- read once and referred to the  
Committee on Judiciary

AN ACT to amend the civil practice law and rules, in relation to resi-  
dential foreclosure actions

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

1     Section 1. The civil practice law and rules is amended by adding a new  
2     section 3012-b to read as follows:  
3     S 3012-B. CERTIFICATE OF MERIT IN CERTAIN RESIDENTIAL FORECLOSURE  
4     ACTIONS. (A) IN ANY RESIDENTIAL FORECLOSURE ACTION INVOLVING A HOME  
5     LOAN, AS SUCH TERM IS DEFINED IN SECTION THIRTEEN HUNDRED FOUR OF THE  
6     REAL PROPERTY ACTIONS AND PROCEEDINGS LAW, IN WHICH THE DEFENDANT IS A  
7     RESIDENT OF THE PROPERTY SUBJECT TO FORECLOSURE, THE COMPLAINT SHALL BE  
8     ACCOMPANIED BY A CERTIFICATE, EXECUTED BY THE ATTORNEY FOR THE PLAIN-  
9     TIFF, CERTIFYING THAT THE ATTORNEY HAS REVIEWED THE FACTS OF THE CASE  
10    AND THAT, BASED ON CONSULTATION WITH AUTHORIZED REPRESENTATIVES OF THE  
11    PLAINTIFF AND THE ATTORNEY'S REVIEW OF PERTINENT DOCUMENTS, INCLUDING  
12    THE MORTGAGE, SECURITY AGREEMENT AND NOTE OR BOND UNDERLYING THE MORT-  
13    GAGE EXECUTED BY THE RESIDENTIAL DEFENDANT AND ALL INSTRUMENTS OF  
14    ASSIGNMENT, IF ANY, OR ANY OTHER INSTRUMENT OF INDEBTEDNESS, THERE IS A  
15    REASONABLE BASIS FOR THE COMMENCEMENT OF SUCH ACTION AND THAT THE PLAIN-  
16    TIFF IS CURRENTLY THE CREDITOR ENTITLED TO ENFORCE RIGHTS UNDER SUCH  
17    DOCUMENTS. SUCH CERTIFICATE SHALL ATTACH A COPY OF THE MORTGAGE, SECURI-  
18    TY AGREEMENT AND NOTE OR BOND UNDERLYING THE MORTGAGE EXECUTED BY THE  
19    RESIDENTIAL DEFENDANT AND ALL INSTRUMENTS OF ASSIGNMENT.  
20    (B) WHERE A CERTIFICATE IS REQUIRED PURSUANT TO THIS SECTION, A SINGLE  
21    CERTIFICATE SHALL BE FILED FOR EACH ACTION EVEN IF MORE THAN ONE DEFEND-  
22    ANT HAS BEEN NAMED IN THE COMPLAINT OR IS SUBSEQUENTLY NAMED.  
23    (C) THE PROVISIONS OF SUBDIVISION (D) OF RULE 3015 OF THIS ARTICLE  
24    SHALL NOT BE APPLICABLE TO A DEFENDANT RESIDENT OF THE PROPERTY SUBJECT  
25    TO FORECLOSURE WHO IS NOT REPRESENTED BY AN ATTORNEY.

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

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(D) IF A PLAINTIFF WILLFULLY FAILS TO PROVIDE COPIES OF THE PAPERS AND DOCUMENTS AS REQUIRED BY SUBDIVISION (A) OF THIS SECTION AND THE COURT FINDS, UPON THE MOTION OF ANY PARTY OR ON ITS OWN MOTION ON NOTICE TO THE PARTIES, THAT SUCH PAPERS AND DOCUMENTS OUGHT TO HAVE BEEN PROVIDED, THE COURT MAY DISMISS THE COMPLAINT OR MAKE SUCH FINAL OR CONDITIONAL ORDER WITH REGARD TO SUCH FAILURE AS IS JUST INCLUDING BUT NOT LIMITED TO DENIAL OF THE ACCRUAL OF ANY INTEREST, COSTS, ATTORNEYS' FEES AND OTHER FEES, RELATING TO THE UNDERLYING MORTGAGE DEBT. ANY SUCH DISMISSAL SHALL NOT BE ON THE MERITS.

S 2. SUBDIVISION (A) OF RULE 3408 OF THE CIVIL PRACTICE LAW AND RULES, AS AMENDED BY CHAPTER 507 OF THE LAWS OF 2009, IS AMENDED TO READ AS FOLLOWS:

(a) In any residential foreclosure action involving a home loan as such term is defined in section thirteen hundred four of the real property actions and proceedings law, in which the defendant is a resident of the property subject to foreclosure, PLAINTIFF SHALL FILE PROOF OF SERVICE WITHIN TWENTY DAYS OF SUCH SERVICE, HOWEVER SERVICE IS MADE, AND the court shall hold a mandatory conference within sixty days after the date when proof of service UPON SUCH DEFENDANT RESIDENT is filed with the county clerk, or on such adjourned date as has been agreed to by the parties, for the purpose of holding settlement discussions pertaining to the relative rights and obligations of the parties under the mortgage loan documents, including, but not limited to determining whether the parties can reach a mutually agreeable resolution to help the defendant avoid losing his or her home, and evaluating the potential for a resolution in which payment schedules or amounts may be modified or other workout options may be agreed to, and for whatever other purposes the court deems appropriate.

S 3. This act shall take effect immediately and shall apply to actions commenced on or after such effective date; provided, however that the amendments to subdivision (a) of rule 3408 of the civil practice law and rules made by section two of this act shall not affect the expiration of such subdivision and shall be deemed to expire therewith.