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

2680

2011-2012 Regular Sessions

I N A S S E M B L Y

January 20, 2011

Introduced by M. of A. FITZPATRICK -- read once and referred to the Committee on Housing

AN ACT to amend the public authorities law, in relation to authorizing the state of New York mortgage agency to purchase labor organization assisted forward commitment mortgages from banks within the state

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

Section 1. Section 2402 of the public authorities law is amended by adding a new subdivision 18 to read as follows:

(18) "LABOR ORGANIZATION". ANY ORGANIZATION OF ANY KIND WHICH EXISTS FOR THE PURPOSE, IN WHOLE OR IN PART, OF REPRESENTING EMPLOYEES EMPLOYED WITHIN THE STATE OF NEW YORK IN DEALING WITH EMPLOYERS OR EMPLOYER ORGANIZATIONS OR WITH A STATE GOVERNMENT, OR ANY POLITICAL OR CIVIL SUBDIVISION OR OTHER AGENCY THEREOF, CONCERNING TERMS AND CONDITIONS OF EMPLOYMENT, GRIEVANCES, LABOR DISPUTES, OR OTHER MATTERS INCIDENTAL TO THE EMPLOYMENT RELATIONSHIP, AND SHALL INCLUDE THE PARENT NATIONAL OR INTERNATIONAL ORGANIZATION OF A LOCAL LABOR ORGANIZATION.

S 2. The public authorities law is amended by adding a new section 2405-f to read as follows:

S 2405-F. PURCHASE OF LABOR ORGANIZATION ASSISTED FORWARD COMMITMENT MORTGAGES. (1) IN ACCORDANCE WITH THE AUTHORITY SET FORTH IN SECTION TWENTY-FOUR HUNDRED FIVE-B OF THIS PART, THE AGENCY MAY PURCHASE LABOR ORGANIZATION ASSISTED FORWARD COMMITMENT MORTGAGES FROM BANKS AT SUCH PRICES AND UPON SUCH TERMS AND CONDITIONS AS IT SHALL DETERMINE. IN CONDUCTING ITS PROGRAM OF PURCHASING LABOR ORGANIZATION ASSISTED FORWARD COMMITMENT MORTGAGES, THE AGENCY SHALL BE GOVERNED BY THE PROVISIONS OF SECTION TWENTY-FOUR HUNDRED FIVE-B OF THIS PART. THE BOARD OF DIRECTORS OF THE AGENCY SHALL ESTABLISH FROM TIME TO TIME MAXIMUM INCOME LIMITS OF PERSONS ELIGIBLE TO RECEIVE SUCH MORTGAGES, WHICH INCOME LIMITS SHALL NOT EXCEED THE LATEST MAXIMUM INCOME LIMITS PERMITTED UNDER THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, FOR MORTGAGES FINANCED BY MORTGAGE

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

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REVENUE BONDS. A LABOR ORGANIZATION MAY DEVELOP ADDITIONAL QUALIFICATIONS FOR ELIGIBLE MEMBERS BEYOND THOSE QUALIFICATIONS PROVIDED FOR IN THIS SECTION, PROVIDED THAT SUCH QUALIFICATIONS ARE NON-DISCRIMINATORY AND ARE PRE-APPROVED BY THE AGENCY; THE LABOR ORGANIZATION, HOWEVER, SHALL REMAIN SOLELY RESPONSIBLE FOR DETERMINING AND INSURING THE LEGALITY OF SUCH QUALIFICATIONS AND MAY NOT RELY ON ANY AGENCY REVIEWS, APPROVALS, LEGAL OPINIONS OR STATEMENTS.

(2) TO PARTICIPATE IN A LABOR ORGANIZATION ASSISTED FORWARD COMMITMENT MORTGAGE PROGRAM, A LABOR ORGANIZATION SHALL BE A BONA FIDE UNION OR ASSOCIATION OF EMPLOYEES WHICH MAINTAINS AN OFFICE IN THE STATE AND SHALL SATISFY THE REQUIREMENTS SET FORTH IN GUIDELINES ESTABLISHED BY THE AGENCY.

(3) FOR ANY LABOR ORGANIZATION ASSISTED FORWARD COMMITMENT MORTGAGE, THE MAXIMUM LOAN-TO-VALUE RATIO SHALL BE ESTABLISHED BY THE AGENCY, PROVIDED THAT SUCH LOAN SHALL NOT EXCEED ONE HUNDRED PERCENT OF THE APPRAISED VALUE OF THE MORTGAGED PREMISES. REASONABLE CLOSING COSTS FOR THE LOAN MAY BE AMORTIZED OVER THE LIFE OF THE LOAN, PROVIDED THAT THE FINAL LOAN AMOUNT DOES NOT EXCEED ONE HUNDRED PERCENT OF THE APPRAISED VALUE OF THE MORTGAGED PREMISES.

(4) THE AGENCY SHALL REQUIRE ANY LABOR ORGANIZATION PARTICIPATING IN THE LABOR ORGANIZATION ASSISTED FORWARD COMMITMENT MORTGAGE PROGRAM TO GUARANTEE TO PAY UP TO TWENTY PERCENT OF THE TOTAL OUTSTANDING MORTGAGE INDEBTEDNESS (AS DETERMINED BY THE AGENCY) FOR EACH MEMBER WHO OBTAINS A MORTGAGE LOAN UNDER THE PROVISIONS OF THIS SECTION AND WHO DEFAULTS ON SUCH MORTGAGE LOAN DURING THE FIRST SEVEN YEARS OF SUCH LOAN, REGARDLESS OF WHETHER SUCH BORROWER IS A MEMBER OF SUCH LABOR ORGANIZATION AT THE TIME OF THE DEFAULT.

S 3. This act shall take effect on the ninetieth day after it shall have become a law.