

8300

2011-2012 Regular Sessions

I N   A S S E M B L Y

June 10, 2011

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Introduced by M. of A. MORELLE -- read once and referred to the Committee on Judiciary

AN ACT to amend the real property law, in relation to allowing an assignment of mortgage in lieu of a certificate of discharge

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

1     Section 1. Subdivision 2 of section 275 of the real property law is  
2     amended by adding a new closing paragraph to read as follows:  
3     IN THE SITUATION PROVIDED FOR IN PARAGRAPH (C) OF THIS SUBDIVISION,  
4     THE MORTGAGOR, AT HIS OR HER OPTION MAY DEMAND AN ASSIGNMENT OF THE  
5     MORTGAGOR'S NOTE AND MORTGAGE SECURING ITS PAYMENT TO ANOTHER LENDER.  
6     THE ORIGINAL LENDER SHALL ASSIGN THE MORTGAGOR'S NOTE AND MORTGAGE  
7     SECURING ITS PAYMENT TO ANOTHER LENDER UPON SUCH DEMAND. THE DEMAND FOR  
8     THE ASSIGNMENT OF MORTGAGE SHALL BE MADE BY THE MORTGAGOR TO THE MORTGAGEE  
9     IN WRITING WITHIN TWENTY DAYS OF CLOSING ON THE REFINANCING AND  
10    SHALL STATE THAT THE PURPOSE FOR SUCH ASSIGNMENT IS TO EFFECTUATE THE  
11    REFINANCING OF THE EXISTING LOAN WITH A NEW LENDER. THE PERSON SIGNING  
12    THE ASSIGNMENT SHALL DELIVER THE ASSIGNMENT AND ANY NECESSARY ACCOMPANYING  
13    PAPERS OR AFFIDAVITS AT LEAST TWO DAYS PRIOR TO SUCH CLOSING, TO THE  
14    ESCROW AGENT DESIGNATED BY THE MORTGAGOR AND THE MORTGAGEE OR ORIGINAL  
15    LENDER. UPON CLOSING, THE ESCROW AGENT SHALL TRANSMIT THE ASSIGNMENT AND  
16    ANY NECESSARY ACCOMPANYING PAPERS OR AFFIDAVITS TO THE NEW LENDER OR  
17    MORTGAGEE. THE PROVISIONS OF THIS PARAGRAPH SHALL NEITHER EXPAND NOR  
18    DIMINISH THE LIABILITY AGAINST A MORTGAGEE WHO, AFTER A GOOD FAITH  
19    EFFORT, IS UNABLE TO DELIVER THE NOTE TO THE ESCROW AGENT BECAUSE THE  
20    NOTE WAS MISPLACED OR LOST.  
21    S 2. This act shall take effect on the thirtieth day after it shall  
22    have become a law.

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

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