

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 ASSEM-  
BLY, DO ENACT AS FOLLOWS:

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

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

11 S 2. The public authorities law is amended by adding a new section  
12 2405-f to read as follows:

13 S 2405-F. PURCHASE OF LABOR ORGANIZATION ASSISTED FORWARD COMMITMENT  
14 MORTGAGES. (1) IN ACCORDANCE WITH THE AUTHORITY SET FORTH IN SECTION  
15 TWENTY-FOUR HUNDRED FIVE-B OF THIS PART, THE AGENCY MAY PURCHASE LABOR  
16 ORGANIZATION ASSISTED FORWARD COMMITMENT MORTGAGES FROM BANKS AT SUCH  
17 PRICES AND UPON SUCH TERMS AND CONDITIONS AS IT SHALL DETERMINE. IN  
18 CONDUCTING ITS PROGRAM OF PURCHASING LABOR ORGANIZATION ASSISTED FORWARD  
19 COMMITMENT MORTGAGES, THE AGENCY SHALL BE GOVERNED BY THE PROVISIONS OF  
20 SECTION TWENTY-FOUR HUNDRED FIVE-B OF THIS PART. THE BOARD OF DIRECTORS  
21 OF THE AGENCY SHALL ESTABLISH FROM TIME TO TIME MAXIMUM INCOME LIMITS OF  
22 PERSONS ELIGIBLE TO RECEIVE SUCH MORTGAGES, WHICH INCOME LIMITS SHALL  
23 NOT EXCEED THE LATEST MAXIMUM INCOME LIMITS PERMITTED UNDER THE INTERNAL  
24 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.

LBD03037-01-1

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

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

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

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

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