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I N S E N A T E

May 6, 2014

Introduced by Sens. FARLEY, GRIFFO -- read twice and ordered printed,
and when printed to be committed to the Committee on Banks

AN ACT to amend the banking law, in relation to subprime home loans

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

1 Section 1. Paragraph (c) of subdivision 1 of section 6-m of the bank-
2 ing law is amended by adding a new subparagraph (iii) to read as
3 follows:
4 (III) NOTWITHSTANDING THE THRESHOLDS SET FORTH IN THIS PARAGRAPH, IF A
5 HOME LOAN IS INSURED BY THE FEDERAL HOUSING ADMINISTRATION, AND IF ANNU-
6 AL MORTGAGE INSURANCE PREMIUMS ARE COLLECTED BY THE FEDERAL HOUSING
7 ADMINISTRATION FOR THE MAXIMUM DURATION PERMITTED UNDER FEDERAL STATUTE,
8 AND IF SUCH LOAN IS NOT A TITLE 1 HOME IMPROVEMENT LOAN NOR A HOME EQUI-
9 TY CONVERSION MORTGAGE, THEN THE TERM "SUBPRIME HOME LOAN" MEANS A HOME
10 LOAN IN WHICH THE INITIAL INTEREST RATE OR THE FULLY-INDEXED RATE,
11 WHICHEVER IS HIGHER, EXCEEDS BY MORE THAN TWO AND A HALF PERCENTAGE
12 POINTS FOR A FIRST-LIEN LOAN, OR BY MORE THAN FOUR AND A HALF PERCENTAGE
13 POINTS FOR A SUBORDINATE-LIEN LOAN, THE AVERAGE COMMITMENT RATE FOR
14 LOANS IN THE NORTHEAST REGION WITH A COMPARABLE DURATION TO THE DURATION
15 OF SUCH HOME LOAN, AS PUBLISHED BY THE FEDERAL HOME LOAN MORTGAGE CORPO-
16 RATION (HEREIN "FREDDIE MAC") IN ITS WEEKLY PRIMARY MORTGAGE MARKET
17 SURVEY (PMMS) POSTED IN THE WEEK PRIOR TO THE WEEK IN WHICH THE LENDER
18 PROVIDES THE "GOOD FAITH ESTIMATE" REQUIRED UNDER 12 USC S2601 ET SEQ.
19 S 2. This act shall take effect immediately.

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

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