

2013-2014 Regular Sessions

I N A S S E M B L Y

(PREFILED)

January 9, 2013

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

AN ACT to amend the real property law, in relation to reverse mortgage loans for persons sixty years of age or older

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

1 Section 1. Subdivision 2 of section 280 of the real property law is
2 amended by adding a new paragraph (d-1) to read as follows:
3 (D-1) SUCH RULES OR REGULATIONS AS THE SUPERINTENDENT OF FINANCIAL
4 SERVICES SHALL ADOPT, THE AUTHORIZED LENDER, AT ITS OPTION, MAY RECEIVE
5 NO MORE THAN TWENTY PERCENT OF THE FUTURE APPRECIATION OF THE PROPERTY
6 SECURING THE REVERSE MORTGAGE LOAN AS FULL OR PARTIAL CONSIDERATION FOR
7 THE MAKING OF A REVERSE MORTGAGE LOAN; PROVIDED, HOWEVER, THAT SUCH
8 FUTURE APPRECIATION SHALL BE LIMITED BY SUCH RULES AND REGULATIONS AS
9 THE SUPERINTENDENT OF FINANCIAL SERVICES MAY ADOPT OR THE AUTHORIZED
10 LENDER MAY CHARGE A FIXED RATE OF INTEREST ON THE OUTSTANDING BALANCE OF
11 MONIES ADVANCED UNDER THE REVERSE MORTGAGE AGREEMENT OR ANY COMBINATION
12 THEREOF. ANY SUCH APPRECIATION SHALL NOT BE CONSIDERED INTEREST FOR THE
13 PURPOSES OF ANY LAW REGULATING THE MAXIMUM RATE OF INTEREST WHICH MAY BE
14 CHARGED, TAKEN OR RECEIVED INCLUDING SECTIONS 190.40 AND 190.42 OF THE
15 PENAL LAW; AND
16 S 2. This act shall take effect on the one hundred eightieth day after
17 it shall have become a law.

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

LBD03099-01-3