

7833

2013-2014 Regular Sessions

I N A S S E M B L Y

June 5, 2013

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

AN ACT to amend the public authorities law, in relation to the powers of
the state of New York mortgage agency

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

1 Section 1. Subdivision 5 of section 2402 of the public authorities
2 law, as amended by section 1 of chapter 208 of the laws of 2010, is
3 amended to read as follows:
4 (5) "Mortgage". A loan owed to a bank secured by a first lien on a fee
5 simple or leasehold estate in real property located in the state and
6 improved by a residential structure, whether or not insured or guaran-
7 teed by the United States of America or any agency thereof. The term
8 "mortgage" shall also include a loan owed to a bank secured by a second
9 lien on a fee simple or leasehold estate in real property located in the
10 state and improved by a residential structure, whether or not insured or
11 guaranteed by the United States of America or any agency thereof,
12 provided, however, that such second lien: (a) secures a loan purchased
13 by the agency, and (b) is made at the same time as a first lien securing
14 a loan purchased by the agency pursuant to its programs or by a govern-
15 ment sponsored enterprise or is made at the same time as a new housing
16 loan purchased by the agency pursuant to section twenty-four hundred
17 five-c of this part[, provided that, in]. THE TERM "MORTGAGE" SHALL ALSO
18 INCLUDE LOANS MADE BY THE AGENCY AND SECURED BY A SECOND LIEN ON A FEE
19 SIMPLE OR LEASEHOLD ESTATE IN REAL PROPERTY LOCATED IN THE STATE AND
20 IMPROVED BY A RESIDENTIAL STRUCTURE, WHETHER OR NOT INSURED OR GUARAN-
21 TEED BY THE UNITED STATES OF AMERICA OR ANY AGENCY THEREOF, PROVIDED
22 HOWEVER, THAT THE LOAN MADE BY THE AGENCY AND SECURED BY SUCH SECOND
23 LIEN IS MADE AT THE SAME TIME AS A FIRST LIEN SECURING A MORTGAGE LOAN
24 PURCHASED BY THE AGENCY PURSUANT TO ITS PROGRAMS OR BY A GOVERNMENT
25 SPONSORED ENTERPRISE. IN the case of any second lien PURCHASED OR MADE

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

LBD11375-01-3

1 HEREUNDER, the mortgagor shall be obligated to contribute from his or
2 her own verifiable funds an amount not less than such percentage as the
3 agency shall determine, of the lower of the purchase price or appraised
4 value of the property subject to the first lien. "Real property" as used
5 in this subdivision shall include air rights.

6 For the purposes of this title and of section one hundred ninety and
7 subsection (a) of section one thousand four hundred fifty-six of the tax
8 law, "mortgage" shall include housing loans as defined below. Except for
9 the purposes of subdivision seven of section two thousand four hundred
10 five and subdivision eight of section two thousand four hundred five-b
11 of this part, "mortgage" shall also include a loan owed to a bank by an
12 individual borrower incurred for the purpose of financing the purchase
13 of certificates of stock or other evidence of ownership of an interest
14 in, and a proprietary lease from, a cooperative housing corporation
15 formed for the purpose of the cooperative ownership of residential real
16 estate in the state, secured by an assignment or transfer of the bene-
17 fits of such cooperative ownership, and containing such terms and condi-
18 tions as the agency may approve.

19 S 2. Subdivision 5 of section 2402 of the public authorities law, as
20 amended by section 2 of chapter 208 of the laws of 2010, is amended to
21 read as follows:

22 (5) "Mortgage". A loan owed to a bank secured by a first lien on a fee
23 simple or leasehold estate in real property located in the state and
24 improved by a residential structure, whether or not insured or guaran-
25 teed by the United States of America or any agency thereof. The term
26 "mortgage" shall also include a loan owed to a bank secured by a second
27 lien on a fee simple or leasehold estate in real property located in the
28 state and improved by a residential structure, whether or not insured or
29 guaranteed by the United States of America or any agency thereof,
30 provided, however, that such second lien: (a) secures a loan purchased
31 by the agency, and (b) is made at the same time as a first lien securing
32 a loan purchased by the agency pursuant to its programs or by a govern-
33 ment sponsored enterprise or is made at the same time as a new housing
34 loan purchased by the agency pursuant to section twenty-four hundred
35 five-c of this part[, provided that, in]. THE TERM "MORTGAGE" SHALL ALSO
36 INCLUDE LOANS MADE BY THE AGENCY AND SECURED BY A SECOND LIEN ON A FEE
37 SIMPLE OR LEASEHOLD ESTATE IN REAL PROPERTY LOCATED IN THE STATE AND
38 IMPROVED BY A RESIDENTIAL STRUCTURE, WHETHER OR NOT INSURED OR GUARAN-
39 TEED BY THE UNITED STATES OF AMERICA OR ANY AGENCY THEREOF, PROVIDED
40 HOWEVER, THAT THE LOAN MADE BY THE AGENCY AND SECURED BY SUCH SECOND
41 LIEN IS MADE AT THE SAME TIME AS A FIRST LIEN SECURING A MORTGAGE LOAN
42 PURCHASED BY THE AGENCY PURSUANT TO ITS PROGRAMS OR BY A GOVERNMENT
43 SPONSORED ENTERPRISE. IN the case of any second lien PURCHASED OR MADE
44 HEREUNDER, the mortgagor shall be obligated to contribute from his or
45 her own verifiable funds an amount not less than such percentage as the
46 agency shall determine, of the lower of the purchase price or appraised
47 value of the property subject to the first lien. "Real property" as used
48 in this subdivision shall include air rights.

49 Except for the purposes of subdivision seven of section two thousand
50 four hundred five of this part, "mortgage" shall also include a loan
51 owed to a bank by an individual borrower incurred for the purpose of
52 financing the purchase of certificates of stock or other evidence of
53 ownership of an interest in, and a proprietary lease from, a cooperative
54 housing corporation formed for the purpose of the cooperative ownership
55 of residential real estate in the state, secured by an assignment or

1 transfer of the benefits of such cooperative ownership, and containing
2 such terms and conditions as the agency may approve.

3 S 3. Subdivision 5 of section 2402 of the public authorities law, as
4 amended by chapter 432 of the laws of 2009, is amended to read as
5 follows:

6 (5) "Mortgage". A loan owed to a bank secured by a first lien on a fee
7 simple or leasehold estate in real property located in the state and
8 improved by a residential structure, whether or not insured or guaran-
9 teed by the United States of America or any agency thereof. The term
10 "mortgage" shall also include a loan owed to a bank secured by a second
11 lien on a fee simple or leasehold estate in real property located in the
12 state and improved by a residential structure, whether or not insured or
13 guaranteed by the United States of America or any agency thereof,
14 provided, however, that such second lien: (a) secures a loan purchased
15 by the agency, and (b) is made at the same time as a first lien securing
16 a loan purchased by the agency pursuant to its programs or is made at
17 the same time as a new housing loan purchased by the agency pursuant to
18 section twenty-four hundred five-c of this part[, provided that, in].
19 THE TERM "MORTGAGE" SHALL ALSO INCLUDE LOANS MADE BY THE AGENCY AND
20 SECURED BY A SECOND LIEN ON A FEE SIMPLE OR LEASEHOLD ESTATE IN REAL
21 PROPERTY LOCATED IN THE STATE AND IMPROVED BY A RESIDENTIAL STRUCTURE,
22 WHETHER OR NOT INSURED OR GUARANTEED BY THE UNITED STATES OF AMERICA OR
23 ANY AGENCY THEREOF, PROVIDED HOWEVER, THAT THE LOAN MADE BY THE AGENCY
24 AND SECURED BY SUCH SECOND LIEN IS MADE AT THE SAME TIME AS A FIRST LIEN
25 SECURING A MORTGAGE LOAN PURCHASED BY THE AGENCY PURSUANT TO ITS
26 PROGRAMS OR BY A GOVERNMENT SPONSORED ENTERPRISE. IN the case of any
27 second lien, the mortgagor shall be obligated to contribute from his or
28 her own verifiable funds an amount not less than such percentage as the
29 agency shall determine, of the lower of the purchase price or appraised
30 value of the property subject to the first lien. "Real property" as used
31 in this subdivision shall include air rights.

32 Except for the purposes of subdivision seven of section two thousand
33 four hundred five of this part, "mortgage" shall also include a loan
34 owed to a bank by an individual borrower incurred for the purpose of
35 financing the purchase of certificates of stock or other evidence of
36 ownership of an interest in, and a proprietary lease from, a cooperative
37 housing corporation formed for the purpose of the cooperative ownership
38 of residential real estate in the state, secured by an assignment or
39 transfer of the benefits of such cooperative ownership, and containing
40 such terms and conditions as the agency may approve.

41 S 4. Subdivision 17 of section 2402 of the public authorities law, as
42 added by chapter 208 of the laws of 2010, is amended to read as follows:

43 (17) "Government sponsored enterprises". Privately owned, publicly
44 chartered entities, AND WHOLLY-OWNED CORPORATE INSTRUMENTALITIES OF THE
45 UNITED STATES WITHIN THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT,
46 CREATED PURSUANT TO 12 USC 1717(A)(2)(A), ALL created by Congress to
47 encourage lending and reduce costs primarily in the housing sector of
48 the economy.

49 S 5. Subdivision 30 of section 2404 of the public authorities law, as
50 renumbered by chapter 229 of the laws of 2007, is renumbered subdivision
51 31 and a new subdivision 30 is added to read as follows:

52 (30) TO MAKE LOANS SECURED BY MORTGAGES SECURED BY A SECOND LIEN ON A
53 FEE SIMPLE OR LEASEHOLD ESTATE IN REAL PROPERTY LOCATED IN THE STATE AND
54 IMPROVED BY A RESIDENTIAL STRUCTURE, WHETHER OR NOT INSURED OR GUARAN-
55 TEED BY THE UNITED STATES OF AMERICA OR ANY AGENCY THEREOF, PROVIDED
56 HOWEVER, THAT THE LOAN MADE BY THE AGENCY AND SECURED BY SUCH SECOND

1 LIEN IS MADE AT THE SAME TIME AS A FIRST LIEN SECURING A MORTGAGE LOAN
2 PURCHASED BY THE AGENCY PURSUANT TO ITS PROGRAMS OR BY A GOVERNMENT
3 SPONSORED ENTERPRISE.

4 S 6. This act shall take effect immediately, provided that the amend-
5 ments to subdivision 5 of section 2402 of the public authorities law
6 made by section one of this act shall be subject to the expiration and
7 reversion of such subdivision pursuant to section 16 of chapter 915 of
8 the laws of 1982, as amended, when upon such date the provisions of
9 section two of this act shall take effect; provided further, that the
10 amendments to subdivision 5 of section 2402 of the public authorities
11 law made by section two of this act shall be subject to the expiration
12 and reversion of such subdivision pursuant to section 4 of chapter 208
13 of the laws of 2010 as amended, when upon such date the provisions of
14 section three of this act shall take effect; provided further, that the
15 amendments to subdivision 17 of section 2402 made by section four of
16 this act shall not affect the repeal of such subdivision and shall be
17 deemed repealed therewith.