

4399

2013-2014 Regular Sessions

I N S E N A T E

March 26, 2013

Introduced by Sen. YOUNG -- (at request of the Division of Housing & Community Renewal) -- read twice and ordered printed, and when printed to be committed to the Committee on Corporations, Authorities and Commissions

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 ASSEMBLY, 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 MORTGAGES SECURED BY A
19 SECOND LIEN IN CASES WHERE THE SECOND LIEN: (I) SECURES A MORTGAGE LOAN
20 PURCHASED BY THE AGENCY, AND (II) IS MADE AT THE SAME TIME AS A FIRST
21 LIEN SECURING A MORTGAGE LOAN PURCHASED BY THE AGENCY PURSUANT TO ITS
22 PROGRAMS OR BY A GOVERNMENT SPONSORED ENTERPRISE. IN the case of any
23 second lien PURCHASED OR MADE HEREUNDER, the mortgagor shall be obli-

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

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1 gated to contribute from his or her own verifiable funds an amount not
2 less than such percentage as the agency shall determine, of the lower of
3 the purchase price or appraised value of the property subject to the
4 first lien. "Real property" as used in this subdivision shall include
5 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 MORTGAGES SECURED BY A
37 SECOND LIEN IN CASES WHERE THE SECOND LIEN: (I) SECURES A MORTGAGE LOAN
38 PURCHASED BY THE AGENCY, AND (II) IS MADE AT THE SAME TIME AS A FIRST
39 LIEN SECURING A MORTGAGE LIEN PURCHASED BY THE AGENCY PURSUANT TO ITS
40 PROGRAMS OR BY A GOVERNMENT SPONSORED ENTERPRISE. IN the case of any
41 second lien PURCHASED OR MADE HEREUNDER, the mortgagor shall be obli-
42 gated to contribute from his or her own verifiable funds an amount not
43 less than such percentage as the agency shall determine, of the lower of
44 the purchase price or appraised value of the property subject to the
45 first lien. "Real property" as used in this subdivision shall include
46 air rights.

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

1 S 3. Subdivision 5 of section 2402 of the public authorities law, as
2 amended by chapter 432 of the laws of 2009, is amended to read as
3 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 is made at
15 the same time as a new housing loan purchased by the agency pursuant to
16 section twenty-four hundred five-c of this part[, provided that, in].
17 THE TERM "MORTGAGE" SHALL ALSO INCLUDE LOANS MADE BY THE AGENCY AND
18 SECURED BY MORTGAGES SECURED BY A SECOND LIEN IN CASES WHERE THE SECOND
19 LIEN: (I) SECURES A MORTGAGE LOAN PURCHASED BY THE AGENCY, AND (II) IS
20 MADE AT THE SAME TIME AS A FIRST LIEN SECURING A MORTGAGE LIEN PURCHASED
21 BY THE AGENCY PURSUANT TO ITS PROGRAMS OR BY A GOVERNMENT SPONSORED
22 ENTERPRISE. IN the case of any second lien, the mortgagor shall be obli-
23 gated to contribute from his or her own verifiable funds an amount not
24 less than such percentage as the agency shall determine, of the lower of
25 the purchase price or appraised value of the property subject to the
26 first lien. "Real property" as used in this subdivision shall include
27 air rights.

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

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

39 (17) "Government sponsored enterprises". Privately owned, publicly
40 chartered entities, AND WHOLLY-OWNED CORPORATE INSTRUMENTALITIES OF THE
41 UNITED STATES WITHIN THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT,
42 created by Congress to encourage lending and reduce costs primarily in
43 the housing sector of the economy.

44 S 5. Subdivision 30 of section 2404 of the public authorities law, as
45 renumbered by chapter 229 of the laws of 2007, is renumbered subdivision
46 31 and a new subdivision 30 is added to read as follows:

47 (30) TO MAKE LOANS SECURED BY MORTGAGES SECURED BY A SECOND LIEN IN
48 CASES WHERE THE SECOND LIEN: (I) SECURES A MORTGAGE LOAN PURCHASED BY
49 THE AGENCY, AND (II) IS MADE AT THE SAME TIME AS A FIRST LIEN SECURING A
50 MORTGAGE LOAN PURCHASED BY THE AGENCY PURSUANT TO ITS PROGRAMS OR BY A
51 GOVERNMENT SPONSORED ENTERPRISE.

52 S 6. This act shall take effect immediately, provided that the amend-
53 ments to subdivision 5 of section 2402 of the public authorities law
54 made by section one of this act shall be subject to the expiration and
55 reversion of such subdivision pursuant to section 16 of chapter 915 of
56 the laws of 1982, as amended, when upon such date the provisions of

1 section two of this act shall take effect; provided further, that the
2 amendments to subdivision 5 of section 2402 of the public authorities
3 law made by section two of this act shall be subject to the expiration
4 and reversion of such subdivision pursuant to section 4 of chapter 208
5 of the laws of 2010 as amended, when upon such date the provisions of
6 section three of this act shall take effect; provided further, that the
7 amendments to subdivision 17 of section 2402 made by section four of
8 this act shall not affect the repeal of such subdivision and shall be
9 deemed repealed therewith.