

4832

2013-2014 Regular Sessions

I N S E N A T E

April 25, 2013

Introduced by Sen. SEWARD -- read twice and ordered printed, and when printed to be committed to the Committee on Insurance

AN ACT to amend the insurance law, in relation to mortgage guaranty insurance

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

1 Section 1. Subsection (c) of section 6503 of the insurance law, as
2 amended by chapter 661 of the laws of 1994, is amended to read as
3 follows:
4 (c) A mortgage insurer providing coverage on loans secured by a first
5 lien on real estate [shall limit its coverage net of applicable reinsur-
6 ance to a maximum of twenty-five percent of the entire indebtedness to
7 the insured, or in lieu thereof, a mortgage insurer] may elect to pay
8 the entire indebtedness to the insured and acquire title to the author-
9 ized real estate security. A mortgage insurer providing coverage on
10 loans secured by a junior lien on real estate [shall limit its coverage
11 net of applicable reinsurance to a maximum of twenty-five percent of the
12 combined indebtedness of all existing mortgage loan amounts at the time
13 the loan is made secured by all liens or charges on the real estate, or
14 in lieu thereof, a mortgage insurer] may elect to insure a portfolio of
15 loans secured by instruments constituting a junior lien on real estate,
16 provided that the total amount at risk in any one pool shall not at any
17 time exceed twenty percent of the original principal mortgage loans
18 insured.
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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