S T A T E O F N E W Y O R K

10745

I N A S S E M B L Y

August 10, 2016

Introduced by COMMITTEE ON RULES -- (at request of M. of A. WEINSTEIN) -- read once and referred to the Committee on Judiciary

AN ACT to amend the real property actions and proceedings law, in relation to required prior notices

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

Section 1. Paragraph (a) of subdivision 5 of section 1304 of the real property actions and proceedings law, as amended by chapter 507 of the laws of 2009, is amended to read as follows:

(a) "Home loan" means a loan, including an open-end credit plan, [other than a reverse mortgage transaction,] in which:

(i) The borrower is a natural person;

(ii) The debt is incurred by the borrower primarily for personal, family, or household purposes;

(iii) The loan is secured by a mortgage or deed of trust on real estate improved by a one to four family dwelling, or a condominium unit, in either case, used or occupied, or intended to be used or occupied wholly or partly, as the home or residence of one or more persons and which is or will be occupied by the borrower as the borrower's principal dwelling; and

(iv) The property is located in this state.

S 2. Paragraph (a) of subdivision 6 of section 1304 of the real property actions and proceedings law, as amended by section 6 of part Q of chapter 73 of the laws of 2016, is amended to read as follows:

(a) "Home loan" means a loan, including an open-end credit plan, [other than a reverse mortgage transaction,] in which:

(i) The borrower is a natural person;

(ii) The debt is incurred by the borrower primarily for personal, family, or household purposes;

(iii) The loan is secured by a mortgage or deed of trust on real estate improved by a one to four family dwelling, or a condominium unit, in either case, used or occupied, or intended to be used or occupied wholly or partly, as the home or residence of one or more persons and

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

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which is or will be occupied by the borrower as the borrower's principal dwelling; and

(iv) The property is located in this state.

S 3. Paragraph (b) of subdivision 6 of section 1304 of the real property actions and proceedings law, as amended by section 7 of part Q of chapter 73 of the laws of 2016, is amended to read as follows:

(b) "Home loan" means a home loan, including an open-end credit plan, [other than a reverse mortgage transaction,] in which:

(i) The principal amount of the loan at origination did not exceed the conforming loan size that was in existence at the time of origination for a comparable dwelling as established by the federal national mortgage association;

(ii) The borrower is a natural person;

(iii) The debt is incurred by the borrower primarily for personal, family, or household purposes;

(iv) The loan is secured by a mortgage or deed of trust on real estate upon which there is located or there is to be located a structure or structures intended principally for occupancy of from one to four families which is or will be occupied by the borrower as the borrower's principal dwelling; and

(v) The property is located in this state.

S 4. This act shall take effect immediately; provided, however, that

(a) the amendments to subdivision 6 of section 1304 of the real property actions and proceedings law made by section two of this act shall take effect on the same date and in the same manner as section 6 of part Q of chapter 73 of the laws of 2016 takes effect; and

(b) the amendments to subdivision 6 of section 1304 of the real property actions and proceedings law made by section two of this act shall be subject to the expiration and reversion of such subdivision pursuant to subdivision a of section 25 of chapter 507 of the laws of 2009, as amended, when upon such date the provisions of section three of this act shall take effect.