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

6693

I N S E N A T E

February 5, 2016

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:

Section 1. Subsection (c) of section 6503 of the insurance law, as amended by chapter 661 of the laws of 1994, is amended to read as follows:

(c) A mortgage insurer providing coverage on loans secured by a first lien on real estate [shall limit its coverage net of applicable reinsurance to a maximum of twenty-five percent of the entire indebtedness to the insured, or in lieu thereof, a mortgage insurer] may elect to pay the entire indebtedness to the insured and acquire title to the authorized real estate security. A mortgage insurer providing coverage on loans secured by a junior lien on real estate [shall limit its coverage net of applicable reinsurance to a maximum of twenty-five percent of the combined indebtedness of all existing mortgage loan amounts at the time the loan is made secured by all liens or charges on the real estate, or in lieu thereof, a mortgage insurer] may elect to insure a portfolio of loans secured by instruments constituting a junior lien on real estate[, provided that the total amount at risk in any one pool shall not at any time exceed twenty percent of the original principal mortgage loans insured].

S 2. This act shall take effect immediately.

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

LBD13959-01-6