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I N S E N A T E

August 12, 2016

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

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:

1 Section 1. Paragraph (a) of subdivision 5 of section 1304 of the real
2 property actions and proceedings law, as amended by chapter 507 of the
3 laws of 2009, is amended to read as follows:
4 (a) "Home loan" means a loan, including an open-end credit plan,
5 [other than a reverse mortgage transaction,] in which:
6 (i) The borrower is a natural person;
7 (ii) The debt is incurred by the borrower primarily for personal,
8 family, or household purposes;
9 (iii) The loan is secured by a mortgage or deed of trust on real
10 estate improved by a one to four family dwelling, or a condominium unit,
11 in either case, used or occupied, or intended to be used or occupied
12 wholly or partly, as the home or residence of one or more persons and
13 which is or will be occupied by the borrower as the borrower's principal
14 dwelling; and
15 (iv) The property is located in this state.
16 S 2. Paragraph (a) of subdivision 6 of section 1304 of the real prop-
17 erty actions and proceedings law, as amended by section 6 of part Q of
18 chapter 73 of the laws of 2016, is amended to read as follows:
19 (a) "Home loan" means a loan, including an open-end credit plan,
20 [other than a reverse mortgage transaction,] in which:
21 (i) The borrower is a natural person;
22 (ii) The debt is incurred by the borrower primarily for personal,
23 family, or household purposes;
24 (iii) The loan is secured by a mortgage or deed of trust on real
25 estate improved by a one to four family dwelling, or a condominium unit,
26 in either case, used or occupied, or intended to be used or occupied
27 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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1 which is or will be occupied by the borrower as the borrower's principal
2 dwelling; and

3 (iv) The property is located in this state.

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

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

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

13 (ii) The borrower is a natural person;

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

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

21 (v) The property is located in this state.

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

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

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