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

3768

2015-2016 Regular Sessions

I N S E N A T E

February 17, 2015

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

AN ACT to amend the banking law, in relation to modifying delinquent mortgage loans and single point of contact

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

Section 1. The banking law is amended by adding a new section 96-e to read as follows:

S 96-E. SINGLE POINT OF CONTACT; MODIFYING DELINQUENT MORTGAGE LOANS. 1. FOR THE PURPOSES OF THIS SECTION, "MORTGAGE SERVICER" SHALL MEAN A PERSON OR ENTITY RESPONSIBLE FOR THE DAY TO DAY MANAGEMENT OF A MORTGAGE LOAN ACCOUNT, INCLUDING COLLECTING AND CREDITING PERIOD LOAN PAYMENTS, MANAGING ANY ESCROW ACCOUNT, OR ENFORCING MORTGAGE LOAN TERMS EITHER AS THE HOLDER OF THE LOAN NOTE OR ON BEHALF OF THE HOLDER OF THE LOAN NOTE.

2. IF A BORROWER IS SIXTY OR MORE DAYS DELINQUENT, THE MORTGAGE SERVICER SHALL INFORM THE BORROWER THAT IF THE BORROWER WISHES TO PURSUE A LOAN MODIFICATION OR OTHER FORECLOSURE PREVENTION ALTERNATIVE, THE MORTGAGE SERVICER SHALL ESTABLISH A SINGLE POINT OF CONTACT FOR THE BORROWER.

3. UPON WRITTEN OR TELEPHONIC COMMUNICATION FROM A BORROWER WHO IS SIXTY OR MORE DAYS DELINQUENT AND WHO REQUESTS LOSS MITIGATION ASSISTANCE, THE IDENTITY OF AND CONTACT INFORMATION FOR A SINGLE POINT OF CONTACT SHALL BE PROVIDED TO THE BORROWER WITHIN TEN BUSINESS DAYS. THE MORTGAGE SERVICER SHALL PROVIDE UPDATED CONTACT INFORMATION TO THE BORROWER IF THE DESIGNATED SINGLE POINT OF CONTACT IS CHANGED NO LATER THAN FIVE BUSINESS DAYS AFTER THE CHANGE.

4. THE SINGLE POINT OF CONTACT SHALL BE RESPONSIBLE FOR ALL OF THE FOLLOWING:

(A) COMMUNICATING THE OPTIONS AVAILABLE TO THE BORROWER, THE ACTIONS THE BORROWER MUST TAKE TO BE CONSIDERED FOR THOSE OPTIONS, AND THE

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

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STATUS OF THE MORTGAGE SERVICER'S EVALUATION OF THE BORROWER FOR THOSE OPTIONS.

(B) COORDINATING RECEIPT OF ALL DOCUMENTS ASSOCIATED WITH LOAN MODIFICATION OR LOSS MITIGATION ACTIVITIES AND NOTIFYING THE BORROWER OF ANY MISSING DOCUMENTS.

(C) MAINTAINING AND PROVIDING ACCURATE INFORMATION ABOUT THE BORROWER'S SITUATION AND CURRENT STATUS IN THE LOSS MITIGATION PROCESS.

(D) ENSURING THAT A BORROWER, WHO IS NOT ELIGIBLE FOR A FEDERAL MAKING HOME AFFORDABLE PROGRAM, IS CONSIDERED FOR PROPRIETARY OR OTHER INVESTOR LOSS MITIGATION OPTIONS.

(E) HAVING ACCESS TO INDIVIDUALS WITH THE ABILITY TO STOP FORECLOSURE PROCEEDINGS WHEN NECESSARY TO COMPLY WITH THE MAKING HOME AFFORDABLE PROGRAM OR NEW YORK LAW.

5. THE SINGLE POINT OF CONTACT SHALL REMAIN ASSIGNED TO THE BORROWER'S ACCOUNT UNTIL THE MORTGAGE SERVICER DETERMINES THAT ALL LOSS MITIGATION OPTIONS HAVE BEEN EXHAUSTED, THE BORROWER'S ACCOUNT BECOMES CURRENT, OR, IN THE CASE OF A BORROWER IN BANKRUPTCY, THE BORROWER HAS EXHAUSTED ALL LOSS MITIGATION OPTIONS FOR WHICH THE BORROWER IS POTENTIALLY ELIGIBLE AND HAS APPLIED.

S 2. This act shall take effect immediately.