

# STATE OF NEW YORK

6177--A

2017-2018 Regular Sessions

## IN SENATE

May 11, 2017

Introduced by Sen. LITTLE -- read twice and ordered printed, and when printed to be committed to the Committee on Local Government -- committee discharged and said bill committed to the Committee on Housing, Construction and Community Development -- reported favorably from said committee and committed to the Committee on Finance -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the real property law, in relation to lease to own contracts in manufactured home communities

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Section 233 of the real property law is amended by adding a new subdivision y to read as follows:

y. Lease to own contracts. 1. Definitions. For purposes of this subdivision:

(a) "Commercial communication" shall mean any written or oral statement, illustration or depiction, whether in English or any other language, that is designed to effect a sale or create interest in purchasing goods or services, whether it appears on or in a label, package, package insert, radio, television, cable television, brochure, newspaper, magazine, pamphlet, leaflet, circular, mailer, book insert, free standing insert, letter, catalogue, poster, chart, billboard, public transit card, point of purchase display, film, slide, audio program transmitted over a telephone system, telemarketing script, on-hold script, upsell script, training materials provided to telemarketing firms, program-length commercial ("infomercial"), the internet, cellular network, or any other medium. Promotional materials and items, and web pages shall be included in the term commercial communication.

(b) "Lease to own contract" shall mean an agreement where a manufactured home park owner or operator, or a lessor, which may be (i) another entity certified as a manufactured home retailer pursuant to article

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

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1 twenty-one-B of the executive law, or (ii) a landowner, enters into an  
2 agreement with a manufactured home tenant whereby the manufactured home  
3 tenant leases a home located in a manufactured home park and, whether in  
4 the lease to own agreement or in a separate agreement, leases the lot  
5 upon which the home is located, and the manufactured home tenant  
6 receives an option to purchase the manufactured or mobile home upon  
7 payment of specified payments over a specified period of time, and upon  
8 the expiration of the time period, and payment of the specified  
9 payments, the manufactured home tenant obtains title and ownership of  
10 the home.

11 (c) "Lease to own payments" shall mean the periodic amounts required  
12 to be paid over the duration of the lease to own contract, over and  
13 above any payments required for rental of the lot upon which the manu-  
14 factured home is located. Lease to own payments shall also include the  
15 amount required to be paid at the end of the term.

16 (d) "Lessee" shall mean a manufactured home community owner or any  
17 other person, corporation, association, or other legal entity who leases  
18 a manufactured or mobile home subject to a lease to own contract.

19 (e) "Lessor" shall mean any person, corporation, association or any  
20 other legal entity who leases a manufactured or mobile home subject to a  
21 lease to own contract.

22 (f) "Terms" means any of the fees, costs, obligations, or character-  
23 istics of or associated with the lease to own option.

24 2. Requirements for lease to own contracts:

25 (a) on and after the effective date of this subdivision, no manufac-  
26 tured home park owner or operator, or lessor, shall enter into a lease  
27 to own contract except in accordance with the provisions of this subdivi-  
28 sion;

29 (b) on or after the effective date of this subdivision, no manufac-  
30 tured home park owner or operator or lessor shall offer a lease to own  
31 contract unless the manufactured home park owner or operator, or lessor,  
32 has complied with the provisions of this subparagraph to establish the  
33 ownership of the home that is to be transferred pursuant to the lease to  
34 own contract:

35 (1) At least five business days prior to the execution of the lease to  
36 own contract, the manufactured home park owner or operator, or lessor  
37 shall, at his or her expense:

38 (A) perform a certified search through the uniform commercial  
39 code/lien search from the department of state;

40 (B) perform a records search from the county clerk of the county where  
41 the manufactured or mobile home is located;

42 (C) perform a records search from the county clerk of the county where  
43 the lessor resides, if different from the county where the manufactured  
44 or mobile home is located;

45 (D) if the mobile home is a nineteen hundred ninety-five model year or  
46 newer manufactured home, perform a records search from the department of  
47 motor vehicles; and

48 (E) (i) receive copies of the results of the searches required under  
49 items (A), (B), (C) or (D) of this clause; and

50 (ii) provide a copy to the lessee, either by certified mail or in  
51 person, of each of the searches required under subparagraph one of para-  
52 graph (a) of this subdivision; and

53 (iii) discharge any lien or any security interest encumbering the  
54 manufactured or mobile home, if any exist.

55 (c) every lease to own contract, whether as a part of a lease, or as a  
56 separate document, shall be in writing and clearly state all terms

governing the transaction. Such terms shall be separately stated and, at a minimum, include the following:

(i) a description of the home to be leased, including:

(A) the name of the manufacturer of the home;

(B) the serial number of the home; and

(C) the year of manufacture of the home;

(ii) the lot number upon which the home is located in the manufactured home park;

(iii) the periodic rent attributable solely to the lot upon which the manufactured or mobile home is located; such lot rent may be increased over the term of the contract, but only in conformity with the provisions of this subdivision;

(iv) the amount of the lease to own payments required to be made in addition to the lot rent, including the periodic amount to be paid, the number of payments required to be made over the term of the agreement and the total amount of payments to be made;

(v) the disclosures required by the federal Consumer Leasing Act, 15 U.S.C.A. § 1667 et. seq., and Regulation M, 12 C.F.R. Part 1013, without regard to the dollar amount limitations in 12 C.F.R. § 1013.2(e)(1);

(vi) the duration of the lease and, if different, the duration of the lease to own option;

(vii) information on whether any fees or public charges are delinquent or have been levied against the manufactured or mobile home, including any that may have been imposed by or owed to the manufactured home park owner;

(viii) a provision that the manufactured home tenant has the right to accelerate any lease to own payments;

(ix) whether the manufactured home park owner or operator, or lessor, has received written notice from any state or local government entity requiring any repairs or improvements to be made to the manufactured or mobile home that is the subject of the lease to own contract;

(x) the following notice: "NOTICE TO THE BUYER: (1) Do not sign this lease to own contract before you read it or if it contains any blank spaces. (2) You are entitled to a completely filled in copy of this lease to own contract when you sign it. (3) Under the law, you have the right to pay off in advance the full amount due"; and

(xi) a provision requiring that in the event the manufactured home park owner or operator sells or otherwise transfers ownership of the manufactured home park to another person or entity, prior to such transfer, the manufactured home park owner or operator shall:

(A) include a provision in the terms of the agreement transferring the manufactured home park requiring that the purchaser or transferee of the manufactured home park assume all obligations of the manufactured home park owner or operator with respect to every lease to own contract then in effect in the manufactured home park;

(B) refund to all manufactured home tenants with currently effective lease to own contracts, the full amount of all lease to own payments made by the manufactured home tenant over the entire time of his or her tenancy plus interest at the rate for thirty year fixed rate mortgages as shown on the then current Primary Mortgage Market Survey published by the Federal Home Loan Mortgage Corporation (also known as "Freddie Mac"); or

(C) agree to continue to retain ownership of the home and receive lease to own contract payments until such time as ownership of the home passes to the manufactured home tenant.

1     3. Notwithstanding any provision of law to the contrary, a lease to  
2 own contract shall be presumed to be valid if:

3     (a) It complies with the provisions of the federal Consumer Leasing  
4 Act, 15 U.S.C.A. § 1667 et. seq., and Regulation M, 12 C.F.R. Part 1013,  
5 without regard to the dollar amount limitations in 12 C.F.R. §  
6 1013.2(e)(1);

7     (b) Payments for lot rent are separately stated and not included with-  
8 in the amount of periodic payments for the lease of the home;

9     (c) It provides that upon payment of the purchase option price and all  
10 periodic lease payments then due, the lessor shall transfer title to the  
11 home to the lessee; and

12     (d) In the case of lease to own contracts entered into on or after the  
13 effective date of this subdivision, includes the provisions set forth in  
14 paragraph two of this subdivision.

15     4. (a) A manufactured home park owner or operator, or lessor, who  
16 wrongfully terminates the tenancy of a manufactured home tenant with a  
17 lease to own contract shall refund to the manufactured home tenant the  
18 full amount of all lease to own payments made by the manufactured home  
19 tenant over the entire time of his or her tenancy plus interest at the  
20 rate specified in section 5-501 of the general obligations law.

21     (b) For purposes of this paragraph, there shall be a rebuttable  
22 presumption that a manufactured home park owner or operator, or lessor,  
23 wrongfully terminated the tenancy if (i) the termination takes place  
24 within twelve months of the end of the term of the lease to own contract  
25 and (ii) at the time of the termination, the manufactured home tenant is  
26 in good standing as defined in subparagraph (ii) of paragraph two of  
27 subdivision e of this section.

28     5. Until such time as ownership of the home passes to the manufactured  
29 home tenant, manufactured homes under a lease to own contract shall be  
30 deemed to be rented homes for purposes of the provisions of subdivision  
31 m of this section. If the lease to own contract is between a manufac-  
32 tured home tenant and a lessor other than a manufactured home community  
33 owner or operator, the manufactured home shall be deemed to be a rented  
34 home for purposes of the provisions of the warranty to habitability set  
35 forth in section two hundred thirty-five-b of this article.

36     6. No manufactured home park owner or operator shall make any material  
37 misrepresentation, expressly or by implication, in any commercial commu-  
38 nication, regarding any of the terms of the lease to own contract  
39 including, but not limited to:

40     (a) The charges for the lease to own contract option;

41     (b) The existence, nature, or amount of fees or costs to the manufac-  
42 tured home tenant associated with the lease to own contract, including  
43 but not limited to misrepresentations that no fees are charged;

44     (c) The existence, cost, payment terms, or other terms associated with  
45 any additional product or feature that is or may be sold in conjunction  
46 with the lease to own contract, including but not limited to credit  
47 insurance or credit disability insurance;

48     (d) The terms, amounts, payments, or other requirements relating to  
49 taxes or insurance associated with the lease to own contract, including  
50 but not limited to misrepresentations about:

51     (i) whether separate payment of taxes or insurance is required; or

52     (ii) the extent to which payment for taxes or insurance is included in  
53 the loan payments, loan amount, or total amount due from the manufac-  
54 tured home tenant;

1 (e) Any prepayment penalty associated with the lease to own contract,  
2 including but not limited to misrepresentations concerning the exist-  
3 ence, nature, amount, or terms of such penalty;

4 (f) The variability of interest, payments, or other terms of the lease  
5 to own contract, including but not limited to misrepresentations using  
6 the word "fixed";

7 (g) Any comparison between:

8 (i) any rate or payment that will be available for a period less than  
9 the full length of the lease to own contract; and

10 (ii) any actual or hypothetical rate or payment;

11 (h) The amount of the obligation, or the existence, nature, or amount  
12 of cash or credit available to the manufactured home tenant in  
13 connection with the lease to own contract, including but not limited to  
14 misrepresentations that the manufactured home tenant will receive a  
15 certain amount of cash or credit as part of the transaction;

16 (i) The existence, number, amount, or timing of any minimum or  
17 required payments, including but not limited to misrepresentations about  
18 any payments or that no payments are required in the lease to own  
19 contract;

20 (j) The potential for default under the lease to own contract, includ-  
21 ing but not limited to misrepresentations concerning the circumstances  
22 under which the manufactured home tenant could default for nonpayment of  
23 taxes, insurance, or maintenance, or for failure to meet other obli-  
24 gations;

25 (k) The effectiveness of the lease to own contract in helping the  
26 manufactured home tenant resolve difficulties in paying debts, including  
27 but not limited to misrepresentations that any lease to own contract can  
28 reduce, eliminate, or restructure debt or result in a waiver or forgive-  
29 ness, in whole or in part, of the manufactured home tenant's existing  
30 obligation with any person;

31 (l) The association of the lease to own contract or any provider of  
32 such contract with any other person or program, including but not limit-  
33 ed to misrepresentations that:

34 (i) the provider is, or is affiliated with, any governmental entity or  
35 other organization; or

36 (ii) the product is or relates to a government benefit, or is  
37 endorsed, sponsored by, or affiliated with any government or other  
38 program, including but not limited to through the use of formats,  
39 symbols, or logos that resemble those of such entity, organization, or  
40 program;

41 (m) The source of any commercial communication, including but not  
42 limited to misrepresentations that a commercial communication is made by  
43 or on behalf of the manufactured home tenant's current mortgage lender  
44 or servicer;

45 (n) The right of the manufactured home tenant to reside in the dwell-  
46 ing that is the subject of the lease to own contract, or the duration of  
47 such right;

48 (o) The manufactured home tenant's ability or likelihood to obtain any  
49 lease to own contract or term, including but not limited to misrepresen-  
50 tations concerning whether the manufactured home tenant has been preap-  
51 proved or guaranteed for any such contract or term;

52 (p) The manufactured home tenant's ability or likelihood to obtain a  
53 refinancing or modification of any lease to own contract or term,  
54 including but not limited to misrepresentations concerning whether the  
55 manufactured home tenant has been preapproved or guaranteed for any such  
56 refinancing or modification; and



1 (q) The availability, nature, or substance of counseling services or  
2 any other expert advice offered to the manufactured home tenant regard-  
3 ing any lease to own contract or term, including but not limited to the  
4 qualifications of those offering the services or advice.

5 7. It is a violation of this subdivision for any person to obtain, or  
6 attempt to obtain, a waiver from any manufactured home tenant of any  
7 protection provided by or any right of the manufactured home tenant  
8 under this subdivision.

9 8. (a) Manufactured home park owners or operators offering lease to  
10 own contracts shall keep, for a period of twenty-four months from the  
11 last date the manufactured home park owner or operator made or dissem-  
12 inated the applicable commercial communication regarding any term of any  
13 lease to own contract, the following evidence of compliance with this  
14 section:

15 (i) copies of all materially different commercial communications as  
16 well as sales scripts, training materials, and marketing materials,  
17 regarding any term of any lease to own contract, that the manufactured  
18 home park owner or operator made or disseminated during the relevant  
19 time period;

20 (ii) documents describing or evidencing all lease to own contracts  
21 available to manufactured home tenants during the time period in which  
22 the person made or disseminated each commercial communication regarding  
23 any term of any lease to own contract, including but not limited to the  
24 names and terms of each such lease to own contract available to manufac-  
25 tured home tenants; and

26 (iii) documents describing or evidencing all additional products or  
27 services (such as credit insurance or credit disability insurance) that  
28 are or may be offered or provided with the lease to own contracts avail-  
29 able to manufactured home tenants during the time period in which the  
30 person made or disseminated each commercial communication regarding any  
31 term of any lease to own contract, including but not limited to the  
32 names and terms of each such additional product or service available to  
33 manufactured home tenants.

34 (b) Any person who is subject to the provisions of this subdivision  
35 may keep the records required by subparagraph (a) of this paragraph in  
36 any legible form, and in the same manner, format, or place as they keep  
37 such records in the ordinary course of business.

38 9. Nothing contained in this subdivision shall be deemed to invalidate  
39 a lease to own contract entered into prior to the effective date of this  
40 subdivision.

41 10. The provisions of this subdivision shall apply without regard to  
42 whether the manufactured home that is the subject of the transaction is  
43 a new home or a resale of a previously-owned home.

44 § 2. The real property law is amended by adding a new section 233-b to  
45 read as follows:

46 § 233-b. Manufactured or mobile home lease to own contracts outside of  
47 manufactured home parks. 1. Definitions. For purposes of this section,  
48 the following terms shall have the meaning set forth in this subdivi-  
49 sion:

50 (a) "Manufactured home lease to own contract outside of manufactured  
51 home parks" shall mean a lease to own contract as defined in paragraph  
52 one of subdivision y of section two hundred thirty-three of this article  
53 where the manufactured or mobile home that is the subject of the lease  
54 to own contract is not located in a manufactured home park, as defined  
55 in subdivision a of section two hundred thirty-three of this article.

1 (b) "Lessee" shall mean any person, corporation, association, or other  
2 legal entity who leases a manufactured or mobile home subject to a lease  
3 to own contract.

4 (c) "Lessor" shall mean any person, corporation, association or any  
5 other legal entity who leases a manufactured or mobile home subject to a  
6 lease to own contract.

7 (d) "Manufactured home" shall have the same meaning as set forth in  
8 subparagraph four of paragraph a of subdivision y of section two hundred  
9 thirty-three of this article.

10 (e) "Mobile home" shall have the same meaning as set forth in subpara-  
11 graph five of paragraph a of subdivision y of section two hundred thir-  
12 ty-three of this article.

13 2. Requirements for lease to own contracts outside of manufactured  
14 home parks:

15 (a) on and after the effective date of this section, no person, corpo-  
16 ration, association or any other legal entity shall enter into a lease  
17 to own contract except in accordance with the provisions of this subdi-  
18 vision;

19 (b) on or after the effective date of this section, no person, corpo-  
20 ration, association or other legal entity shall offer a lease to own  
21 contract except in compliance with the provisions of this paragraph to  
22 establish the ownership of the home that is to be transferred pursuant  
23 to the lease to own contract:

24 (1) At least five business days prior to the execution of the lease to  
25 own contract, the lessor shall, at its own expense:

26 (A) perform a certified search through the uniform commercial  
27 code/lien search from the department of state;

28 (B) perform a records search from the county clerk of the county where  
29 the manufactured or mobile home is located;

30 (C) perform a records search from the county clerk of the county where  
31 the lessor resides, if different from the county where the manufactured  
32 or mobile home is located;

33 (D) if the mobile home is a nineteen hundred ninety-five model year or  
34 newer manufactured home, perform a records search from the department of  
35 motor vehicles; and

36 (E) (i) receive copies of the results of the searches required under  
37 clause (A), (B), (C) or (D) of this subparagraph; and

38 (ii) provide a copy to the lessee, either by certified mail or in  
39 person, of each of the searches required under this subparagraph; and

40 (iii) discharge any lien or any security interest encumbering the  
41 manufactured or mobile home, if any exist.

42 (c) every lease to own contract, whether as a part of a lease, or as a  
43 separate document, shall be in writing and clearly state all terms  
44 governing the transaction. Such terms shall be separately stated and, at  
45 a minimum, include the following:

46 (i) a description of the home to be leased, including:

47 (A) the name of the manufacturer of the home;

48 (B) the serial number of the home; and

49 (C) the year of manufacture of the home;

50 (ii) the address where the home is located;

51 (iii) if the lessor is also the owner of the land upon which the manu-  
52 factured or mobile home is located, the periodic rent attributable sole-  
53 ly to the lot upon which the manufactured or mobile home is located;  
54 such lot rent may be increased over the term of the contract, but only  
55 upon ninety days notice and not more than once in any year;

1 (iv) the amount of the lease to own payments required to be made in  
2 addition to the lot rent, if any, including the periodic amount to be  
3 paid, the number of payments required to be made over the term of the  
4 agreement and the total amount of payments to be made;

5 (v) the disclosures required by the federal Consumer Leasing Act, 15  
6 U.S.C.A. § 1667 et. seq., and Regulation M, 12 C.F.R. Part 1013, with-  
7 out regard to the dollar amount limitations in 12 C.F.R. §  
8 1013.2(e)(1);

9 (vi) the duration of the lease and, if different, the duration of the  
10 lease to own option;

11 (vii) information on whether any fees or public charges are delinquent  
12 or have been levied against the manufactured or mobile home, including  
13 any that may have been imposed by or owed to the manufactured home park  
14 owner;

15 (viii) a provision that the manufactured home tenant has the right to  
16 accelerate any lease to own payments;

17 (ix) whether the manufactured home park owner or operator has received  
18 written notice from any state or local government entity requiring any  
19 repairs or improvements to be made to the manufactured or mobile home  
20 that is the subject of the lease to own contract;

21 (x) the following notice: "NOTICE TO THE BUYER: (1) Do not sign this  
22 lease to own contract before you read it or if it contains any blank  
23 spaces. (2) You are entitled to a completely filled in copy of this  
24 lease to own contract when you sign it. (3) Under the law, you have the  
25 right to pay off in advance the full amount due."; and

26 (xi) a provision requiring that, in the event the lessor is the owner  
27 of the land upon which the manufactured home is located, sells or other-  
28 wise transfers ownership of the land upon which the manufactured home is  
29 located to another person or entity other than the lessee, prior to such  
30 transfer, the lessor shall;

31 (A) include a provision in the terms of the agreement transferring the  
32 land requiring that the purchaser or transferee of the land assume all  
33 obligations of the lessor with respect to the lessee's lease to own  
34 contract;

35 (B) refund the full amount of all lease to own payments made by the  
36 lessee over the entire time of his or her tenancy plus interest at the  
37 rate for thirty year fixed rate mortgages as shown on the then current  
38 Primary Mortgage Market Survey published by the Federal Home Loan Mort-  
39 gage Corporation (also known as "Freddie Mac"); or

40 (C) agree to continue to retain ownership of the home and receive  
41 lease to own contract payments until such time as ownership of the home  
42 passes to the lessee.

43 3. Notwithstanding any provision of law to the contrary, a lease to  
44 own contract shall be presumed to be valid if;

45 (a) It complies with the provisions of the federal Consumer Leasing  
46 Act, 15 U.S.C.A. § 1667 et. seq., and Regulation M, 12 C.F.R. Part 1013,  
47 without regard to the dollar amount limitations in 12 C.F.R. §  
48 1013.2(e)(1);

49 (b) Payments for lot rent are separately stated and not included with-  
50 in the amount of periodic payments for the lease of the home;

51 (c) It provides that upon payment of the purchase option price and all  
52 periodic lease payments then due, the lessor shall transfer title to the  
53 home to the lessee; and

54 (d) In the case of lease to own contracts entered into on or after the  
55 effective date of this subdivision, includes the provisions set forth in  
56 subdivision two of this section.



1     4. (a) A lessor who is also the landowner of the land upon which the  
2 manufactured home is located and who wrongfully terminates the tenancy  
3 of a lessee shall refund to the lessee the full amount of all lease to  
4 own payments made by the manufactured home tenant over the entire time  
5 of his or her tenancy plus interest at the rate specified in section  
6 5-501 of the general obligations law.

7     (b) For purposes of this subdivision, there shall be a rebuttable  
8 presumption that a lessor wrongfully terminated the tenancy if: (i) the  
9 termination takes place within twelve months of the end of the term of  
10 the lease to own contract and (ii) at the time of the termination, the  
11 lessee is not in default in the payment of more than one month's rent to  
12 the lessor, and is not otherwise in violation of the terms of the lease  
13 to own contract or the terms of the lease governing the lessee's use and  
14 occupancy of the land upon which the manufactured home is located.

15     5. Until such time as ownership of the home passes to the lessee,  
16 manufactured homes under a lease to own contract shall be deemed to be  
17 rented homes for purposes of the provisions of the warranty to habita-  
18 bility set forth in section two hundred thirty-five-b of this article.

19     6. No lessor shall make any material misrepresentation, expressly or  
20 by implication, in any commercial communication, regarding any of the  
21 terms of the lease to own contract including, but not limited to:

22     (a) The charges for the lease to own contract option;

23     (b) The existence, nature, or amount of fees or costs to the lessor  
24 associated with the lease to own contract, including but not limited to  
25 misrepresentations that no fees are charged;

26     (c) The existence, cost, payment terms, or other terms associated with  
27 any additional product or feature that is or may be sold in conjunction  
28 with the lease to own contract, including but not limited to credit  
29 insurance or credit disability insurance;

30     (d) The terms, amounts, payments, or other requirements relating to  
31 taxes or insurance associated with the lease to own contract, including  
32 but not limited to misrepresentations about:

33     (i) whether separate payment of taxes or insurance is required; or

34     (ii) the extent to which payment for taxes or insurance is included in  
35 the loan payments, loan amount, or total amount due from the lessor;

36     (e) Any prepayment penalty associated with the lease to own contract,  
37 including but not limited to misrepresentations concerning the exist-  
38 ence, nature, amount, or terms of such penalty;

39     (f) The variability of interest, payments, or other terms of the lease  
40 to own contract, including but not limited to misrepresentations using  
41 the word "fixed";

42     (g) Any comparison between:

43     (i) any rate or payment that will be available for a period less than  
44 the full length of the lease to own contract; and

45     (ii) any actual or hypothetical rate or payment;

46     (h) The amount of the obligation, or the existence, nature, or amount  
47 of cash or credit available to the lessee in connection with the lease  
48 to own contract, including but not limited to misrepresentations that  
49 the lessee will receive a certain amount of cash or credit as part of  
50 the transaction;

51     (i) The existence, number, amount, or timing of any minimum or  
52 required payments, including but not limited to misrepresentations about  
53 any payments or that no payments are required in the lease to own  
54 contract;

55     (j) The potential for default under the lease to own contract, includ-  
56 ing but not limited to misrepresentations concerning the circumstances

1 under which the lessee could default for nonpayment of taxes, insurance,  
2 or maintenance, or for failure to meet other obligations;

3 (k) The effectiveness of the lease to own contract in helping the  
4 lessee resolve difficulties in paying debts, including but not limited  
5 to misrepresentations that any lease to own contract can reduce, elimi-  
6 nate, or restructure debt or result in a waiver or forgiveness, in whole  
7 or in part, of the lessee's existing obligation with any person;

8 (l) The association of the lease to own contract or any provider of  
9 such contract with any other person or program, including but not limit-  
10 ed to misrepresentations that:

11 (i) the provider is, or is affiliated with, any governmental entity or  
12 other organization; or

13 (ii) the product is or relates to a government benefit, or is  
14 endorsed, sponsored by, or affiliated with any government or other  
15 program, including but not limited to through the use of formats,  
16 symbols, or logos that resemble those of such entity, organization, or  
17 program;

18 (m) The source of any commercial communication, including but not  
19 limited to misrepresentations that a commercial communication is made by  
20 or on behalf of the lessee's current mortgage lender or servicer;

21 (n) The right of the lessee to reside in the dwelling that is the  
22 subject of the lease to own contract, or the duration of such right;

23 (o) The lessee's ability or likelihood to obtain any lease to own  
24 contract or term, including but not limited to misrepresentations  
25 concerning whether the lessee has been preapproved or guaranteed for any  
26 such contract or term;

27 (p) The lessee's ability or likelihood to obtain a refinancing or  
28 modification of any lease to own contract or term, including but not  
29 limited to misrepresentations concerning whether the lessee has been  
30 preapproved or guaranteed for any such refinancing or modification; and

31 (q) The availability, nature, or substance of counseling services or  
32 any other expert advice offered to the lessee regarding any lease to own  
33 contract or term, including but not limited to the qualifications of  
34 those offering the services or advice.

35 7. It is a violation of this section for any person to obtain, or  
36 attempt to obtain, a waiver from any lessee of any protection provided  
37 by or any right of the lessee under this section.

38 8. (a) Lessors offering lease to own contracts shall keep, for a peri-  
39 od of twenty-four months from the last date the lessor made or dissem-  
40 inated the applicable commercial communication regarding any term of any  
41 lease to own contract, the following evidence of compliance with this  
42 section:

43 (i) copies of all materially different commercial communications as  
44 well as sales scripts, training materials, and marketing materials,  
45 regarding any term of any lease to own contract, that the lessor made or  
46 disseminated during the relevant time period;

47 (ii) documents describing or evidencing all lease to own contracts  
48 available to lessees during the time period in which the person made or  
49 disseminated each commercial communication regarding any term of any  
50 lease to own contract, including but not limited to the names and terms  
51 of each such lease to own contract available to lessees; and

52 (iii) documents describing or evidencing all additional products or  
53 services (such as credit insurance or credit disability insurance) that  
54 are or may be offered or provided with the lease to own contracts avail-  
55 able to lessees during the time period in which the person made or  
56 disseminated each commercial communication regarding any term of any

1 lease to own contract, including but not limited to the names and terms  
2 of each such additional product or service available to lessees.

3 (b) Any person who is subject to the provisions of this subdivision  
4 may keep the records required by subparagraph (a) of this subdivision in  
5 any legible form, and in the same manner, format, or place as they keep  
6 such records in the ordinary course of business.

7 9. Nothing contained in this section shall be deemed to invalidate a  
8 lease to own contract entered into prior to the effective date of this  
9 section.

10 10. The provisions of this section shall apply without regard to  
11 whether the manufactured home that is the subject of the transaction is  
12 a new home or a resale of a previously-owned home.

13 11. No lender shall:

14 (a) place or hold any mortgage on any manufactured or mobile home sold  
15 under a lease to own contract; or

16 (b) cause any insurance coverage on the manufactured or mobile home to  
17 lapse or end for the duration of the lease owned contract.

18 12. Except as otherwise provided, failure of the lessor to comply with  
19 this section shall give the lessee the unconditional right to cancel the  
20 lease with the option to purchase contract and receive immediate refund  
21 of all payments and deposits made on account of or in contemplation of  
22 the lease with the option to purchase contract.

23 § 3. This act shall take effect on the one hundred eightieth day after  
24 it shall have become a law.