

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

37 (xi) a provision requiring that in the event the manufactured home
38 park owner or operator sells or otherwise transfers ownership of the
39 manufactured home park to another person or entity, prior to such trans-
40 fer, the manufactured home park owner or operator shall:

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

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

53 (C) agree to continue to retain ownership of the home and receive
54 lease to own contract payments until such time as ownership of the home
55 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.