

STATE OF NEW YORK

10499

IN ASSEMBLY

May 22, 2020

Introduced by COMMITTEE ON RULES -- (at request of M. of A. Carroll) --
read once and referred to the Committee on Banks

AN ACT in relation to requiring the forbearance of residential mortgage payments for any mortgagor who demonstrates financial hardship as a result of the COVID-19 pandemic

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

1 Section 1. 1. As used in this section, the following terms shall have
2 the following meanings:

3 (a) "COVID-19 pandemic" means the global outbreak of COVID-19, the
4 disease caused by the novel coronavirus;

5 (b) "banking institution" means any banking organization as defined
6 under the banking law; and

7 (c) "trial period plan" means an agreement whereby the mortgagor is
8 required to make trial payments in full and on-time in order to be
9 considered for a permanent loan modification.

10 2. Notwithstanding any other provision of law, banking institutions
11 shall:

12 (a) make applications for forbearance of any payment due on a residen-
13 tial mortgage of a property located in New York widely available to any
14 mortgagor who demonstrates financial hardship as a result of the COVID-
15 19 pandemic including, but not limited to, those who are already in
16 arrears or on a trial period plan or who have applied for loss miti-
17 gation;

18 (b) grant such forbearance for a period of at least one year to any
19 such mortgagor who demonstrates financial hardship including, but not
20 limited to, those who are already in arrears or on a trial period plan
21 or who have applied for loss mitigation; and

22 (c) extend the term of the loan for the length of the period of
23 forbearance.

24 3. Notwithstanding any other provision of law, adherence with this
25 section shall be a condition precedent to commencing a foreclosure
26 action stemming from missed payments which would have otherwise been
27 subject to this section. A defendant may raise the violation of this

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

LBD16464-02-0

1 section as a defense to a foreclosure action commenced on the defend-
2 ant's property when such action is based on missed payments that would
3 have otherwise been subject to this section.

4 4. Notwithstanding any other provision of law, any interest collected
5 on a mortgage which was granted a forbearance under this section in the
6 last year of such mortgage shall not be taxable as for the banking
7 institution.

8 § 2. This act shall take effect immediately.