

STATE OF NEW YORK

10553--A

IN ASSEMBLY

May 29, 2020

Introduced by COMMITTEE ON RULES -- (at request of M. of A. Hyndman) --
read once and referred to the Committee on Judiciary -- committee
discharged, bill amended, ordered reprinted as amended and recommitted
to said committee

AN ACT to amend the real property actions and proceedings law, in
relation to imposing a temporary ban on the commencement of mortgage
foreclosure actions and the sale of foreclosed properties; and provid-
ing for the repeal of such provisions upon expiration thereof

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

1 Section 1. The real property actions and proceedings law is amended by
2 adding a new section 1393 to read as follows:

3 § 1393. Temporary ban on foreclosure actions and sales of foreclosed
4 properties. 1. Except with respect to a vacant or abandoned property,
5 state regulated servicers, banks and/or credit unions of a mortgage loan
6 may not initiate any judicial process, move for a foreclosure judgment
7 or execute a foreclosure-related eviction or foreclosure sale of real
8 properties for twelve months after the date that the covered period
9 ends.

10 2. (a) During such moratorium period, state regulated mortgagees are
11 required to either: (i) participate in the mandatory settlement confer-
12 ence pursuant to rule thirty-four hundred eight of the civil practice
13 law and rules for all pending foreclosure actions including actions
14 where the mortgagor appeared at a prior settlement conference and the
15 case was marked unsettled. This requirement shall not apply to pending
16 foreclosure actions where a mortgagor has not appeared at a prior
17 settlement conference; or (ii) engage the mortgagors in a pre-foreclo-
18 sure workout to negotiate in good faith a modification or forbearance
19 agreements in accordance with rule thirty-four hundred eight of the
20 civil practice law and rules.

21 (b) The mortgagors must demonstrate compliance with this requirement
22 in order to commence or proceed with a foreclosure action after the
23 covered period has expired. Failure to demonstrate compliance shall be
24 an affirmative defense to the foreclosure action.

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

LBD16379-03-0

1 3. For the purposes of this section, the term "the covered period"
2 shall mean from the date the governor declared a state of disaster emer-
3 gency or March seventh, two thousand twenty until three hundred sixty-
4 five days after the date the last region and/or county of New York state
5 entered phase three of the governor's reopening plan for the state
6 relating to the COVID-19 pandemic.

7 § 2. This act shall take effect immediately and shall expire and be
8 deemed repealed 1 year after such effective date.