

# STATE OF NEW YORK

10554

## 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 Banks

AN ACT to amend the banking law, in relation to allowing for mortgagors  
to cancel or renegotiate forbearance agreements made during a state  
disaster emergency

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

1 Section 1. The banking law is amended by adding a new section 9-x to  
2 read as follows:

3 § 9-x. Cancellation or renegotiation of forbearance agreements  
4 executed during a state disaster emergency. 1. As used in this section,  
5 the following terms shall have the following meanings:

6 (a) "covered period" means the period beginning on the date on which a  
7 state disaster emergency, including, but not limited to, the COVID-19  
8 pandemic, begins and ending on the date that is thirty days after the  
9 date on which such state disaster emergency ends.

10 (b) "qualified mortgagor" means an individual who resides in New York  
11 whose principal dwelling is encumbered by a home loan pursuant to para-  
12 graph (a) of subdivision six of section thirteen hundred four of the  
13 real property actions and proceedings law or whose principal dwelling is  
14 a co-operative unit whose shares are encumbered by any loan otherwise  
15 meeting the requirements of a home loan under paragraph (a) of subdivi-  
16 sion six of section thirteen hundred four of the real property actions  
17 and proceedings law, from or serviced by a regulated institution.

18 (c) "regulated institution" means any New York regulated banking  
19 organization as defined under this chapter and any New York regulated  
20 mortgage servicer entity subject to the authority of the department.

21 2. Notwithstanding any other provision of law, New York regulated  
22 institutions shall provide qualified mortgagors who have executed a  
23 forbearance agreement with such regulated institution the option to  
24 cancel or renegotiate the terms of such agreement if such agreement was  
25 executed during a covered period and:

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

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1 (a) includes terms which exclude the option of placing missed loan  
2 payments on the back-end of the loan which is subject of such forbear-  
3 ance agreement; or

4 (b) requires missed loan payments be made up in full within a period  
5 of less than twelve months from the date of such agreement.

6 3. Notwithstanding anything to the contrary in this section, this  
7 section shall not apply to, and does not affect any mortgage loans made,  
8 insured, or securitized by any agency or instrumentality of the United  
9 States, any government sponsored enterprise, or a federal home loan  
10 bank, or the rights and obligations of any lender, issuer, servicer or  
11 trustee of such obligations, including servicers for the Government  
12 National Mortgage Association.

13 § 2. This act shall take effect immediately.