AN ACT authorizing certain state regulated institutions to offer disaster partial claims to qualified mortgagors

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

Section 1. As used in this act the following terms shall have the following meanings:

(a) "Disaster partial claim" means an interest-free subordinate mortgage in the amount of any mortgage payment missed by a qualified mortgagor due to an inability to make such payments as a result of novel coronavirus, COVID-19, or any mortgage forbearance granted pursuant to executive order number 202.9.

(b) "Qualified mortgagor" means a residential or commercial mortgagee whose income has been adversely affected by the outbreak of COVID-19 and is unable to make his or her mortgage payment or who was granted mortgage forbearance pursuant to executive order 202.9.

(c) "Regulated institution" means any state regulated banking organization as defined in section 2 of the banking law and any state regulated mortgage servicer entity subject to the authority of the department of financial services.

2. Notwithstanding any provision of law to the contrary, every regulated institution is authorized to offer disaster partial claims to qualified mortgagors.

3. No regulated institution shall report any new adverse information relative to any payment or non-payment of a mortgage during the state disaster emergency declared pursuant to executive order 202.

4. The superintendent of financial services shall promulgate any rules and regulations necessary to implement the provisions of this act.

§ 2. This act shall take effect immediately.

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