STATE OF NEW YORK

5017--A

2019-2020 Regular Sessions

IN SENATE

April 3, 2019

Introduced by Sen. PARKER -- read twice and ordered printed, and when printed to be committed to the Committee on Banks -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the banking law, in relation to requiring a bank or financial institution selling or transferring a mortgage during a modification process to provide the borrower with a written list of all documents relating to such application for modification that were provided to the bank or financial institution to which such mortgage was sold or transferred; and relating to the obligations of subsequent mortgage servicer shall assume all duties and obligations related to any previously approved first lien loan modification or other foreclosure prevention alternative

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

Section 1. The banking law is amended by adding a new section 6-n to read as follows:

§ 6-n. Responsibility of banks for mortgages being processed for modification. 1. If a mortgage that is the subject of an application for a modification of the mortgage terms is sold or transferred during the modification process, the bank or financial institution selling or transferring such mortgage shall provide the borrower with a written list of all documents relating to such application for modification that were provided to the bank or financial institution to which such mortgage was sold or transferred.

2. If a borrower has been approved in writing for a first lien loan modification or other modification to avoid foreclosure, and the servicing of such borrower's loan is transferred or sold to another mortgage servicer, the subsequent mortgage servicer shall assume all duties and obligations related to any previously approved first lien loan modifica-

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

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tion or other foreclosure prevention alternative in accordance with the provisions of this section.

§ 2. This act shall take effect on the ninetieth day after it shall have become a law and shall apply to all mortgages entered into on or after such date.