

STATE OF NEW YORK

7720--A

IN SENATE

February 11, 2020

Introduced by Sen. SANDERS -- read twice and ordered printed, and when printed to be committed 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 law and the banking law, in relation to preventing fraudulent deed transfers

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

1 Section 1. Section 333 of the real property law is amended by adding a
2 new subdivision 4 to read as follows:

3 4. A recording officer shall not record or accept for record any
4 conveyance of real property affecting land in New York state unless such
5 conveyance contains, or is accompanied by an addendum containing,
6 explicit and bold language that reads, "YOU ARE HEREBY MADE AWARE THAT
7 BY SIGNING THIS DEED YOU ARE TRANSFERRING OWNERSHIP OF YOUR LAND OR
8 HOME", with a signature line under such language which shall contain a
9 notarized signature of the transferor. Failure of a person or corpo-
10 ration to use a deed without such warning language or if the transferor
11 does not sign the acknowledgement to complete such deed transfer pursu-
12 ant to this section shall be a class E felony.

13 § 2. Section 6-n of the banking law is amended by adding a new subdi-
14 vision 3 to read as follows:

15 3. No deed transfer from a borrower to a mortgage servicer that is
16 transferred as part of a modification of mortgage terms shall be consid-
17 ered a valid deed transfer. The department shall have the authority to
18 investigate any deed transfer that is in violation of this subdivision.

19 § 3. Subdivision 1 of section 14 of the banking law is amended by
20 adding a new paragraph (t) to read as follows:

21 (t) To prescribe the methods and standards under which the department
22 shall receive and investigate claims of fraudulent deed transfers,
23 including, but not limited to deed transfers that are in violation of
24 subdivision three of section six-n of this chapter.

25 § 4. This act shall take effect immediately.

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

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