

# STATE OF NEW YORK

8445--A

## IN SENATE

June 3, 2020

Introduced by Sen. SANDERS -- read twice and ordered printed, and when printed to be committed to the Committee on Housing, Construction and Community Development -- 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 providing for the repeal of such provisions upon expiration thereof

The People of the State of New York, represented in Senate and Assembly, 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.

LBD16379-02-0

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.