

STATE OF NEW YORK

8443

IN SENATE

June 3, 2020

Introduced by Sens. GAUGHRAN, KAVANAGH, ADDABBO, BROOKS, CARLUCCI, HARCKHAM, KAMINSKY, KAPLAN, MARTINEZ, MAY, METZGER, SKOUFIS, THOMAS -- read twice and ordered printed, and when printed to be committed to the Committee on Housing, Construction and Community Development

AN ACT to amend the public housing law, in relation to establishing the COVID-19 emergency homeownership stability program

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

1 Section 1. The public housing law is amended by adding a new article
2 14 to read as follows:

ARTICLE 14

COVID-19 EMERGENCY HOMEOWNERSHIP STABILITY PROGRAM

Section 600. Definitions.

6 601. Authority to implement COVID-19 emergency homeownership
7 stability program.

8 602. Eligibility.

9 603. Tax lien foreclosure.

10 604. Mortgage foreclosure.

11 605. Payment.

12 § 600. Definitions. For purposes of this article, the following terms
13 shall have the following meanings:

14 1. "Adjusted income" shall mean income minus any deductions allowable
15 at the discretion of the commissioner pursuant to this section. In
16 determining the income of a household for the purposes of this para-
17 graph, income shall be considered to include only income that the house-
18 hold is receiving at the time of application for assistance from the
19 program and any income recently terminated shall not be included, except
20 that for purposes of households receiving assistance for arrearages
21 income may include the income that the household was receiving at the
22 time such arrearages were incurred.

23 2. "Income" shall mean income from all sources of each member of the
24 household, including all wages, tips, overtime, salary, recurring gifts,
25 returns on investments, welfare assistance, social security payments,
26 child support payments, unemployment benefits, any benefit, payment or

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

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1 cash grant whose purpose is to assist with rental payments, any payments
2 whose purpose is to replace lost income, and any other government bene-
3 fit or cash grant. The term "income" shall not include: employment
4 income from children under eighteen years of age, employment income from
5 children eighteen years of age or older who are full-time students,
6 foster care payments, sporadic gifts, groceries provided by persons not
7 living in the household, supplemental nutrition assistance program bene-
8 fits, earned income disregard, or the earned income tax credit.

9 3. "Qualified property" means residential real property owned by the
10 homeowner which is used exclusively as the homeowner's primary resi-
11 dence; provided however, that in the event any portion of such property
12 is not so used exclusively for residential purposes but is used for
13 other purposes, such portion shall be ineligible for the payment estab-
14 lished pursuant to this subdivision.

15 4. "Property tax" shall mean a tax levied, or portion of those taxes
16 levied, by or on behalf of any county, city, town, village, school
17 district or special district on the qualified property which is attrib-
18 utable to the year two thousand twenty.

19 5. "Mortgagor" shall mean an individual who resides in New York whose
20 principal dwelling is encumbered by a home loan pursuant to paragraph
21 (a) of subdivision six of section thirteen hundred four of the real
22 property actions and proceedings law or whose principal dwelling is a
23 co-operative unit whose shares are encumbered by any loan otherwise
24 meeting the requirements of a home loan under paragraph (a) of subdivi-
25 sion six of section thirteen hundred four of the real property actions
26 and proceedings law, from or serviced by a regulated institution.

27 6. "Reverse mortgage loan" shall have the same meaning as section two
28 hundred eighty of the real property law.

29 7. "Homeowner" shall mean a person or persons who is a resident of the
30 state and who owns and primarily resides in qualified property within
31 the state.

32 8. "Homeownership payments" shall mean mortgage payments, reverse
33 mortgage payments, property taxes, hazard insurance payments, flood
34 insurance payments, mortgage insurance payments, homeowners' association
35 fees, condominium common charges, or utility payments. Homeownership
36 payments shall not include: any mortgage payments that have been placed
37 in forbearance at the time of application if such forbearance extends
38 beyond the covered period.

39 9. "Utility" shall mean electric, gas, water, and internet service,
40 including broadband internet access service.

41 10. "Fair market rent" shall mean the fair market rent for each rental
42 area as promulgated annually by the United States department of housing
43 and urban development's office of policy development and research pursu-
44 ant to 42 U.S.C. 1437(f).

45 11. "Commissioner" shall mean the commissioner of New York homes and
46 community renewal and its subsidiary, the housing finance agency.

47 12. "Covered period" means the period during which the restrictions
48 constituting New York on PAUSE, as defined by Executive Order 202.31,
49 applied in the county of the homeowner's residence.

50 § 601. Authority to implement COVID-19 emergency homeownership
51 stability program. The commissioner, as soon as practicable and subject
52 to the disbursement of federal funds expressly for this purpose to the
53 housing finance agency, shall implement an emergency COVID-19 homeown-
54 ership stability program. The commissioner may delegate the administration
55 of portions of this program to any state agency, city, county, town, or
56 non-profit organization in accordance with the provisions of this arti-

1 cle. The housing finance agency, or the agency, governmental entity, or
2 organization so designated by the commissioner, shall issue an emergency
3 homeownership payment directly to the eligible homeowner.

4 § 602. Eligibility. The commissioner shall promulgate standards for
5 determining eligibility for this program. A homeowner shall be eligible
6 for this program if:

7 1. The homeowner, during the covered period:

8 (a) applied and qualified for unemployment insurance benefits; or

9 (b) experienced a significant loss of income as determined by the
10 department of taxation and finance or as determined in a manner
11 prescribed by the commissioner; and

12 (c) the sum total of all homeownership payments that came due or will
13 be owed during the covered period is greater than thirty percent of
14 annualized adjusted income as pro-rated by the length of the covered
15 period.

16 2. In addition to the eligibility criteria above, the commissioner may
17 promulgate limits on assets as part of any determination of eligibility
18 for this program.

19 3. A homeowner shall not be eligible for this program if their current
20 annualized income is an amount equal to or greater than their income for
21 the year two thousand nineteen.

22 4. Any ambiguity in eligibility criteria promulgated by the commis-
23 sioner shall be resolved in favor of the applicant when determining
24 eligibility.

25 5. Not less than sixty percent of the amount made available to the
26 state shall be used for emergency homeownership payments that assist
27 homeowners having incomes equal to or less than eighty percent of the
28 area median income.

29 6. The commissioner may establish preference in processing applica-
30 tions for this payment. Such preference may include any or all of the
31 following:

32 (a) the homeowner's historical income level prior to the covered peri-
33 od as it relates to the area median income;

34 (b) the homeowner's current income as it relates to the area median
35 income;

36 (c) the taxpayer's property tax burden;

37 (d) the percentage of income the homeowner lost;

38 (e) the homeowner's status as a victim of domestic violence; and

39 (f) the current income of any additional parties on the deed for the
40 qualified property who are not homeowners as defined in this section
41 and, to the extent that any mortgage payments are considered in the
42 total sum reached in paragraph (b) of this subdivision, the current
43 income of any additional parties to the mortgage.

44 § 603. Tax lien foreclosure. Notwithstanding any provision of law to
45 the contrary, a tax lien foreclosure initiated pursuant to article elev-
46 en of the real property tax law which includes unpaid taxes that came
47 due during the covered period cannot be commenced against a homeowner
48 who has applied for this program unless or until a final determination
49 of ineligibility has been issued. The action may proceed ninety days
50 after the determination of ineligibility or after payment is released by
51 the housing finance agency.

52 § 604. Mortgage foreclosure. Notwithstanding any provision of law to
53 the contrary, a mortgage foreclosure on a home loan as defined by
54 section thirteen hundred four of the real property actions and
55 proceedings law which includes unpaid mortgage payments that came due
56 during the covered period cannot be commenced or proceed against a home-

1 owner who has applied for this program unless or until a final determi-
2 nation of ineligibility has been issued. The action may proceed ninety
3 days after the determination of ineligibility or after payment is
4 released by the housing finance agency.

5 § 605. Payment. The emergency homeownership payment shall be a one-
6 time payment paid directly to the homeowner. The amount of emergency
7 homeownership payment shall be the lesser of:

8 1. the difference between the sum of homeownership payments due pursu-
9 ant to section six hundred three of this article and thirty percent of
10 the current annualized adjusted income as pro-rated by the duration of
11 the covered period; or

12 2. the difference between two hundred fifty percent of the fair market
13 rent for the area and thirty percent of the current annualized adjusted
14 income as pro-rated by the duration of the covered period.

15 § 2. Severability clause. If any clause, sentence, paragraph, subdivi-
16 sion, section or part of this act shall be adjudged by any court of
17 competent jurisdiction to be invalid, such judgment shall not affect,
18 impair, or invalidate the remainder of this act, but shall be confined
19 in its operation to the clause, sentence, paragraph, subdivision,
20 section or part of this act directly involved in the controversy in
21 which such judgment shall have been rendered. It is hereby declared to
22 be the intent of the legislature that this act would have been enacted
23 even if such invalid clause, sentence, paragraph, subdivision, section
24 or part had not been included herein.

25 § 3. This act shall take effect immediately.