

STATE OF NEW YORK

6620

2021-2022 Regular Sessions

IN ASSEMBLY

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Introduced by M. of A. THIELE, LAVINE, STERN, GRIFFIN, ENGLEBRIGHT --
read once and referred to the Committee on Housing

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 Assem-
bly, 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. Application.

12 606. Payment.

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

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

24 2. "Income" shall mean income from all sources of each member of the
25 household, including all wages, tips, overtime, salary, recurring gifts,

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

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

11 3. "Qualified property" means 1-4 family residential real property
12 owned by the homeowner of which one dwelling unit is used exclusively as
13 the homeowner's primary residence.

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

19 5. "Reverse mortgage loan" shall have the same meaning as section two
20 hundred eighty of the real property law.

21 6. "Homeowner" shall mean a person or persons who is a resident of the
22 state and who owns and primarily resides in qualified property within
23 the state.

24 7. "Homeownership expenses" shall mean mortgage payments, reverse
25 mortgage payments, property taxes, homeowners insurance payments, flood
26 insurance payments, mortgage insurance payments, homeowners' association
27 fees, condominium association fees, common charges, or utility payments.
28 Homeownership payments shall not include: any mortgage payments that
29 have been placed in forbearance at the time of application if such
30 forbearance extends beyond the covered period.

31 8. "Other fees associated with homeownership" shall mean principal
32 reduction of a mortgage and expenses incurred facilitating interest rate
33 reductions on a mortgage.

34 9. "Utility" shall mean electric, gas, water, and internet service,
35 including broadband internet service as defined in section 8.1(b) of
36 title 47, Code of Federal Regulations (or any successor regulation).

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

41 11. "Commissioner" shall mean the commissioner of New York homes and
42 community renewal.

43 12. "Covered period" means the period beginning January twenty-second,
44 two thousand twenty and ending on the date that is thirty days after the
45 date on which such state disaster emergency ends.

46 13. "Mortgage" means any credit transaction that is: (A) secured by a
47 mortgage, deed of trust, or other consensual security interest on a
48 principal residence of a borrower that is a 1- to 4-unit dwelling; and
49 (B) the unpaid principal balance of which was, at the time of origi-
50 nation, not more than the conforming loan limit.

51 14. "Conforming loan limit" means the applicable limitation governing
52 the maximum original principal obligation of a mortgage secured by a
53 single-family residence, a mortgage secured by a 2-family residence, a
54 mortgage secured by a 3-family residence, or a mortgage secured by a
55 4-family residence, as determined and adjusted annually under section
56 302(b)(2) of the Federal National Mortgage Association Charter Act (12

1 U.S.C. 1717(b)(2)) and section 305(a)(2) of the Federal Home Loan Mort-
2 gage Corporation Act (12 U.S.C. 1454(a)(2)).

3 § 601. Authority to implement COVID-19 emergency homeownership
4 stability program. The commissioner is hereby authorized and directed
5 to implement, as soon as practicable, a program for financial assistance
6 to allow a homeowner to reinstate a mortgage or to pay other housing
7 related costs related to a period of forbearance, delinquency or
8 default; assistance with homeownership expenses; and other fees related
9 to homeownership for those eligible pursuant to section six hundred two
10 of this article. Such program shall be funded with all funds allocated
11 to the state of New York from the homeowner assistance fund, and any
12 state funds appropriated for such program. The commissioner shall adopt,
13 on an emergency basis pursuant to subdivision six of section two hundred
14 two of the state administrative procedure act, any rules necessary to
15 carry out the provisions of this article. The commissioner may delegate
16 the administration of any portions of this program to any state agency,
17 city, county, town, village, or non-profit organization in accordance
18 with the provisions of this article.

19 § 602. Eligibility. The commissioner shall promulgate standards for
20 determining eligibility for this program. A homeowner shall be eligible
21 for this program if:

22 1. The homeowner, during the covered period:

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

24 (b) experienced a significant loss of income during the covered peri-
25 od; and

26 (c) the sum total of all homeownership payments that came due or will
27 be owed during the covered period is greater than thirty percent of the
28 homeowner's income for the year two thousand twenty or two thousand
29 twenty-one.

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

33 3. A homeowner shall not be eligible for this program if their two
34 thousand twenty or two thousand twenty-one annual income is an amount
35 equal to or greater than their income for the year two thousand nine-
36 teen.

37 4. Any ambiguity in eligibility criteria promulgated by the commis-
38 sioner shall be resolved in favor of the applicant when determining
39 eligibility.

40 5. Not less than sixty percent of the amount made available to the
41 state shall be used for emergency homeownership payments that assist
42 homeowners having incomes equal to or less than the greater of one
43 hundred percent of the area median income for their household size, or
44 the median income of the United States, as determined by the Secretary
45 of Housing and Urban Development. The commissioner shall prioritize
46 remaining funds to populations or geographies experiencing the greatest
47 need.

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

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

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

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

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

1 (e) the homeowner's status as a victim of domestic violence; and
2 (f) the current income of any additional parties on the deed for the
3 qualified property who are not homeowners as defined in this section
4 and, to the extent that any mortgage payments are considered in the
5 total sum reached in paragraph (b) of this subdivision, the current
6 income of any additional parties to the mortgage.

7 § 603. Tax lien foreclosure. Notwithstanding any provision of law to
8 the contrary, a tax lien foreclosure initiated pursuant to article elev-
9 en of the real property tax law which includes unpaid taxes that came
10 due during the covered period cannot be commenced against a homeowner
11 who has applied for this program unless or until a final determination
12 of ineligibility has been issued. The action may proceed ninety days
13 after the determination of ineligibility or after payment is released by
14 the commissioner.

15 § 604. Mortgage foreclosure. Notwithstanding any provision of law to
16 the contrary, a mortgage foreclosure on a home loan as defined by
17 section thirteen hundred four of the real property actions and
18 proceedings law which includes unpaid mortgage payments that came due
19 during the covered period cannot be commenced or proceed against a home-
20 owner who has applied for this program unless or until a final determi-
21 nation of ineligibility has been issued. The action may proceed ninety
22 days after the determination of ineligibility or after payment is
23 released by the housing finance agency.

24 § 605. Application. Eligible homeowners may apply for assistance from
25 this program for:

26 (a) financial assistance to allow a homeowner to reinstate a mortgage
27 or to pay other housing-related costs related to a period of forbear-
28 ance, delinquency, or default; and/or

29 (b) any delinquent homeownership expenses that came due during the
30 covered period; and/or

31 (c) other fees related to homeownership. The commissioner shall make
32 such application available no later than thirty days after the effective
33 date of this program.

34 § 606. Payment. 1. The commissioner shall make a one-time payment
35 directly to eligible homeowners pursuant to section six hundred two of
36 this article to cover financial assistance to allow a homeowner to rein-
37 state a mortgage or to pay other housing related costs related to a
38 period of forbearance, delinquency or default and/or delinquent homeown-
39 ership expenses that came due during the covered period. Such payment
40 shall not exceed the amount equivalent to one hundred fifty percent of
41 the fair market rent for the area and household size times the number of
42 months for which assistance is requested. If, after sixty days, funds
43 remain, the commissioner may provide assistance for expenses related to
44 homeownership.

45 2. Any payment received pursuant to this section shall only be used to
46 pay the homeownership expenses and other fees related to homeownership
47 for which the homeowner applied for assistance. The commissioner shall
48 require from any recipient of funds under this section documentation of
49 the use of any funds disbursed pursuant to this section within thirty
50 days of receipt. If ninety days after receipt, any funds received pursu-
51 ant to this section are not used for documented homeownership expenses
52 and other fees related to homeownership for which the homeowner applied
53 for assistance, such funds may be subject to repayment.

54 § 2. Severability clause. If any clause, sentence, paragraph, subdivi-
55 sion, section or part of this act shall be adjudged by any court of
56 competent jurisdiction to be invalid, such judgment shall not affect,

1 impair, or invalidate the remainder of this act, but shall be confined
2 in its operation to the clause, sentence, paragraph, subdivision,
3 section or part of this act directly involved in the controversy in
4 which such judgment shall have been rendered. It is hereby declared to
5 be the intent of the legislature that this act would have been enacted
6 even if such invalid clause, sentence, paragraph, subdivision, section
7 or part had not been included herein.
8 § 3. This act shall take effect immediately.