

STATE OF NEW YORK

8749

IN ASSEMBLY

January 11, 2022

Introduced by M. of A. CYMBROWITZ -- read once and referred to the
Committee on Housing

AN ACT to amend the private housing finance law, in relation to author-
izing additional supervision and regulation of mutual companies

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

1 Section 1. Subdivisions 10, 11, 12, 13 and 14 of section 32-a of the
2 private housing finance law, as added by a chapter of the laws of 2021,
3 amending the private housing finance law relating to authorizing addi-
4 tional supervision and regulation of limited-profit housing companies,
5 as proposed in legislative bills numbers S. 7079 and A. 7637, are
6 amended to read as follows:

7 10. Require every voting member of a board of directors of a mutual
8 company subject to the provisions of this article, elected or appointed
9 for a term beginning on or after the effective date of this subdivision,
10 to complete, within the first year of his or her term and at least once
11 every three years thereafter, a minimum of two hours of training, in
12 person or virtually, as the commissioner or supervising agency, as the
13 case may be, may deem appropriate on the financial oversight, account-
14 ability and fiduciary responsibilities of a board member; and to require
15 every voting member of a board of directors of a mutual company subject
16 to the provisions of this article, elected or appointed for a term
17 beginning before the effective date of this subdivision, to complete
18 such training within one year of the effective date of this subdivision
19 and at least once every three years thereafter.

20 11. Require every voting member of a board of directors of a mutual
21 company subject to the provisions of this article, elected or appointed
22 for a term beginning on or after the effective date of this subdivision,
23 to complete, within the first year of his or her term and at least once
24 every three years thereafter, in addition to the training required by
25 subdivision ten of this section, a training course, in person or virtu-
26 ally, as the commissioner or supervising agency, as the case be, may
27 deem appropriate, to acquaint him or her with the powers, functions and
28 duties of a board of directors of a mutual company subject to the

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

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1 provisions of this article, as well as the powers and duties of other
2 governing and administrative authorities affecting such companies; and
3 to require every voting member of a board of directors of a mutual
4 company subject to the provisions of this article, elected or appointed
5 for a term beginning before the effective date of this subdivision, to
6 complete such training within one year of the effective date of this
7 subdivision and at least once every three years thereafter.

8 12. Require each member of a board of directors of a mutual company
9 subject to the provisions of this article to demonstrate compliance with
10 the requirements set forth in subdivisions ten and eleven of this
11 section by filing a certificate of completion of such course or courses
12 on a form to be promulgated by the commissioner. Such form shall be
13 filed with the secretary of the [~~housing corporation~~] mutual company and
14 maintained by the secretary as a corporate record and distributed annu-
15 ally to the shareholders and upon the filing of any director with the
16 mutual company of the intention to seek re-election to the position.
17 Sixty days prior to any scheduled election of members of the board of
18 directors, the secretary of the [~~housing~~] mutual company shall furnish
19 the commissioner or the supervising authority, as the case may be, with
20 a list of all incumbent directors indicating which individuals have
21 submitted certificates required in this subdivision. Such course or
22 courses shall be provided by the commissioner or supervising agency, as
23 the case may be, at no cost to the trainee or the board to which the
24 trainee has been elected.

25 13. Develop the curricula used for training required by subdivisions
26 ten and eleven of this section for which the supervising agency or the
27 commissioner may request and shall receive the cooperation and assist-
28 ance from any departments, divisions, boards, bureaus, commissions or
29 agencies of the state and political subdivisions thereof in developing
30 such curricula. These curricula may be offered together as a single
31 course or separately. The training required by this section may be
32 offered by providers approved by the commissioner or supervising agency,
33 as the case may be. In approving other providers for these trainings,
34 the commissioner or supervising agency shall consider a potential
35 provider's understanding of cooperative homeownership; laws, rules and
36 regulations affecting mutual companies subject to the provisions of this
37 article; and the fiduciary responsibilities of the board of a residen-
38 tial cooperative, as well as the experience of the provider in deliver-
39 ing such training.

40 14. Hold such meeting or meetings, in person or virtually as the
41 commissioner or supervisory agency shall deem appropriate, with the
42 board of a mutual company on the financial oversight, accountability and
43 fiduciary responsibilities of such board; the powers, functions and
44 duties of such board; and the powers and duties of other governing and
45 administrative authorities affecting such company.

46 § 2. This act shall take effect on the same date and in the same
47 manner as a chapter of the laws of 2021, amending the private housing
48 finance law relating to authorizing additional supervision and regu-
49 lation of limited-profit housing companies, as proposed in legislative
50 bills numbers S. 7079 and A. 7637, takes effect.