

# STATE OF NEW YORK

3933

2021-2022 Regular Sessions

## IN SENATE

February 1, 2021

Introduced by Sen. KENNEDY -- read twice and ordered printed, and when printed to be committed to the Committee on Judiciary

AN ACT to amend the real property actions and proceedings law, in relation to prohibiting the registration of mortgages in default prior to the filing of a notice of pendency

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. Mortgages in default. 1. No local law, ordinance or resolution  
4 shall allow for the registration of residential mortgages in default  
5 prior to a mortgagee filing a notice of pendency in a court of competent  
6 jurisdiction.

7 2. No such local law, ordinance or resolution shall require a homeown-  
8 er or occupant to register.

9 3. Any local law, ordinance or resolution that allows for the regis-  
10 tration of residential mortgages in default may impose a registration  
11 fee not exceeding seventy-five dollars annually. A mortgagee and/or its  
12 agents are prohibited from passing along such fees to the mortgagor in  
13 default.

14 4. For the purposes of this section, a mortgage default occurs when a  
15 mortgagor fails to fulfill its obligations under a mortgage agreement.

16 5. "Registration" shall mean the collection, publication or posting,  
17 public or otherwise, of residential mortgages in default by a local  
18 governing body or an agency thereof, or any third-party entity that  
19 contracts with such local governing body.

20 6. "Notice of pendency" shall have the same meaning as defined in  
21 section sixty-five hundred one of the civil practice law and rules.

22 7. A local governing body, through a local law, ordinance or resol-  
23 ution, may impose a fine on a mortgagee for noncompliance with this  
24 section or any local law, ordinance or resolution that allows for the

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

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1 registration of residential mortgages in default. A mortgagee and/or its  
2 agents are prohibited from passing along such fines to the mortgagor in  
3 default.

4 8. The provisions of this section shall supersede any local law, ordi-  
5 nance, or resolution requiring the registration of mortgages in default  
6 that was enacted prior to the effective date of this section.

7 § 2. This act shall take effect immediately.