STATE OF NEW YORK

8670--A

IN SENATE

March 29, 2022

Introduced by Sens. BROOKS, MAY -- read twice and ordered printed, and when printed to be committed to the Committee on Banks -- reported favorably from said committee and committed to the Committee on Finance -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the banking law and the executive law, in relation to certain notices and services upon application for a mortgage guaranteed under the "Servicemen's Readjustment Act of 1944""; and providing for the repeal of certain provisions upon expiration thereof

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

Section 1. The banking law is amended by adding a new section 6-p to read as follows:

§ 6-p. Loan counseling for mortgages guaranteed by the Servicemen's Readjustment Act of 1944. Every mortgage lending institution and mortgage banker which originates loans secured by real property used for residential purposes located in this state which are to be guaranteed under the Servicemen's Readjustment Act of 1944 shall provide a separate disclosure form with each application stating that a veteran seeking a housing loan under chapter 37 of title 38 of the United States Code has been offered loan counseling services. Such loan counseling services shall be provided by the division of veterans' services under section three hundred fifty-four-f of the executive law upon request of an applicant. The disclosure form required by this section shall be signed by each applicant and shall include information detailing how to access such counseling services.

§ 2. The executive law is amended by adding a new section 354-f to read as follows:

§ 354-f. Loan counseling for mortgages guaranteed by the Servicemen's Readjustment Act of 1944. Upon the request of any veteran, the division shall provide counseling and assistance to applicants for a mortgage loan guaranteed by the Servicemen's Readjustment Act of 1944. Such service shall be provided either directly or through a contract with a not-for-profit entity which has a Commercial and Government Entity

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

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(CAGE) code assigned by the federal System for Award Management and which is not owned by, affiliated with or operated by a mortgage company. Counselors shall be licensed in this state as either a real estate broker or a mortgage broker. Loan counseling and assistance shall include a review of the terms and restrictions of the loan, information determined by the state director to be appropriate for a veteran seeking a housing loan under chapter 37 of title 38 of the United States Code, and any other information which may be required under federal law, rule or regulation.

§ 3. The veterans' services law is amended by adding a new section 29-a to read as follows:

§ 29-a. Loan counseling for mortgages guaranteed by the Servicemen's Readjustment Act of 1944. Upon the request of any veteran, the division shall provide counseling and assistance to applicants for a mortgage loan guaranteed by the Servicemen's Readjustment Act of 1944. Such service shall be provided either directly or through a contract with a not-for-profit entity which has a Commercial and Government Entity (CAGE) code assigned by the federal System for Award Management and which is not owned by, affiliated with or operated by a mortgage company. Counselors shall be licensed in this state as either a real estate broker or a mortgage broker. Loan counseling and assistance shall include a review of the terms and restrictions of the loan, information determined by the state director to be appropriate for a veteran seeking a housing loan under chapter 37 of title 38 of the United States Code, and any other information which may be required under federal law, rule or regulation.

§ 4. This act shall take effect on the one hundred twentieth day after it shall have become a law; provided, however, that section three of this act shall take effect on the same date and in the same manner as section 2 of part PP of chapter 56 of the laws of 2022, takes effect; and provided, further, that section two of this act shall expire and be deemed repealed on the same date such chapter takes effect.