STATE OF NEW YORK

5073--A

Cal. No. 142

2023-2024 Regular Sessions

IN ASSEMBLY

March 2, 2023

Introduced by M. of A. HUNTER, STECK, WALLACE, BUTTENSCHON, HAWLEY, ZEBROWSKI, McDONALD -- read once and referred to the Committee on Judiciary -- ordered to a third reading, amended and ordered reprinted, retaining its place on the order of third reading

AN ACT to amend the real property law, in relation to prohibiting mortgagees from requiring mortgagors of certain real property to purchase flood insurance exceeding certain limits

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

Section 1. The real property law is amended by adding a new section 283 to read as follows:

§ 283. Limits on amount of flood insurance required by mortgagee. No mortgagee shall require a mortgagor to whom the mortgagee makes, increases, extends, or renews any loan or line of credit secured by improved residential real property to purchase or pay for flood insurance on such residential real property: (1) at a coverage amount that exceeds the outstanding principal mortgage balance as of the beginning of the year for which the policy shall be in effect; or (2) that includes coverage for contents. In each instance where a mortgagee requires a mortgagor to purchase or pay for flood insurance on such residential real property, the mortgagee shall provide notice to the mortgagor at the time the mortgagee is notified of the need to purchase or pay for flood insurance that states the following in clear and conspicuous print: 'Please note that the flood insurance we are requiring you to purchase will only protect your creditor or lender's interest in your property. The insurance may not be sufficient to pay for many needed repairs after a flood and may not compensate you for your losses in the property due to the flood. If you wish to protect your home or investment, you may wish to purchase more flood insurance than the amount we are requiring you to buy.'

§ 2. This act shall take effect immediately.

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

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