STATE OF NEW YORK

8593

IN ASSEMBLY

January 12, 2024

Introduced by M. of A. VANEL -- read once and referred to the Committee on Judiciary

AN ACT to amend the real property actions and proceedings law, in relation to foreclosure of certain properties

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

Section 1. Section 757 of the real property actions and proceedings law, as added by section 23 of part M of chapter 36 of the laws of 2019, is amended to read as follows:

§ 757. Eviction as the result of foreclosure. **1. Any landlord that is in mortgage foreclosure due to loss of rent payments cannot enter into a state of foreclosure until a special proceeding to recover real property is maintained and any rent issues are resolved. Such court shall track all loss of rent payment cases and subsequent foreclosure cases.**

2. In the event that a lessee is removed from real property pursuant to this article, and the leased real property was the subject of a foreclosure proceeding pursuant to this chapter or the subject of a tax foreclosure proceeding, the court records relating to any such lessee shall be sealed and be deemed confidential. No disclosure or use of such information relating to any such lessee shall be authorized, and the use of such information shall be prohibited.

§ 2. Section 1302 of the real property actions and proceedings law is amended by adding a new subdivision 3 to read as follows:

3. Any landlord that is in mortgage foreclosure due to loss of rent payments cannot enter into a state of foreclosure until a special proceeding to recover real property is maintained and any rent issues are resolved. Such court shall track all loss of rent payment cases and subsequent foreclosure cases.

§ 3. This act shall take effect on the one hundred eightieth day after it shall have become a law.

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

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