

# STATE OF NEW YORK

9686

## IN ASSEMBLY

April 3, 2024

Introduced by M. of A. WEPRIN -- read once and referred to the Committee on Banks

AN ACT to amend the banking law, in relation to what mortgage applicants need to know pamphlet on residential mortgages

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

1 Section 1. The banking law is amended by adding a new section 35 to  
2 read as follows:

3 § 35. Information pamphlet for residential mortgage applicants. 1.  
4 The superintendent shall develop a pamphlet known as "what mortgage  
5 applicants need to know" and post such pamphlet on the department's web  
6 site. Such pamphlet shall be posted and printed in the six most common  
7 non-English languages spoken by individuals with limited-English profi-  
8 ciency in New York state as based on the most recent census. Copies of  
9 such pamphlet shall be provided to all licensed lenders and banking  
10 organizations offering residential mortgage services. A copy of such  
11 pamphlet shall be provided by licensed lenders, mortgage bankers and  
12 other banking organizations to each person applying for a loan secured  
13 by a mortgage upon residential real estate in accordance with the  
14 timing requirements under 12 CFR § 1026.19(e)(1)(iii). A licensed lend-  
15 er, mortgage banker or other banking organization may provide the appli-  
16 cant with the pamphlet via electronic communications, including but not  
17 limited to, electronic mail or a hyperlink to the pamphlet posted on the  
18 department's web site.

19 2. The pamphlet and web site notice developed pursuant to this section  
20 shall include the following, along with other information added at the  
21 discretion of the superintendent not otherwise inconsistent with the  
22 information set forth in the pamphlet:

23 ""WHAT MORTGAGE APPLICANTS NEED TO KNOW"

24 As an applicant for a residential mortgage you have the right to:

25 1. Compare and negotiate the charges of different mortgage brokers and  
26 lenders to obtain the best loan possible.

27 2. Ask your mortgage broker to explain such person's responsibilities  
28 within the mortgage lending process.

29 3. Know how much the mortgage broker is compensated by you and the  
30 lender for your loan.

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

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1 4. A clear and truthful explanation of the terms and conditions of the  
2 loan.

3 5. Know if the loan being offered is a fixed or adjustable rate mort-  
4 gage loan, whether the loan can be transferred or refinanced, know the  
5 exact amount of your monthly loan payments, including any projected  
6 escrow payments, know the final annual percentage rate (APR) and the  
7 amount of regular payments at the loan's closing.

8 6. Ask for loan estimate detailing all loan and settlement charges  
9 before you agree to the loan and pay any fees, including without limita-  
10 tion loan application fees, title search and insurance fees, lender's  
11 attorney fees, property appraisal charges, inspections, recording fees,  
12 late payment fees, transfer taxes, point and origination fees, escrow  
13 account balances, which services a loan applicant can shop for and which  
14 they cannot, and you are entitled to receive such estimate within three  
15 business days of applying for a loan.

16 7. Obtain credit counseling before closing a loan.

17 8. Decide whether or not to finance any portion of the points or fees.

18 9. Refuse to purchase credit insurance for any mortgage loan.

19 10. Have your property appraised by an independent licensed profes-  
20 sional and to receive a copy of the appraisal.

21 11. Not be subject to deceptive marketing practices.

22 12. Ask for the consumer financial protection bureau's booklet "Your  
23 home loan toolkit".

24 13. Receive the following documents, and every document otherwise  
25 required to be given to you at closing under federal and New York state  
26 law:

27 a. Loan estimate.

28 b. Closing disclosure.

29 14. Know what deposits and fees are not refundable if you decide to  
30 cancel the loan agreement.

31 15. Receive in writing the reason for the denial or conditional  
32 approval of your loan application.

33 16. If refinancing, you may cancel a loan within three days of the  
34 closing by providing written notification of cancellation to the  
35 licensed lender or banking institution.

36 17. Receive the closing disclosure three days before the closing takes  
37 place.

38 18. Have any lending disputes resolved in a fair and equitable manner.

39 19. A credit decision that is not based upon your race, color,  
40 national origin, religion, sex, family status, sexual orientation, disa-  
41 bility or whether any income is from public assistance.

42 20. File a complaint with the department or the Consumer Financial  
43 Protection Bureau if you believe that a mortgage broker or any other  
44 entity licensed by the department or the Consumer Financial Protection  
45 Bureau has violated any rules, regulations or laws which govern such  
46 person's conduct in working with you to get or process a mortgage loan.

47 21. File a complaint with the New York state department of state or  
48 the Consumer Financial Protection Bureau if you believe that a real  
49 estate broker has violated any rules, regulations or laws which govern  
50 such person's conduct in working with you to purchase a home."

51 § 2. This act shall take effect on the one hundred eightieth day after  
52 it shall have become a law. Effective immediately, the addition, amend-  
53 ment and/or repeal of any rule or regulation necessary for the implemen-  
54 tation of this act on its effective date are authorized to be made and  
55 completed on or before such effective date.