

STATE OF NEW YORK

7297

2023-2024 Regular Sessions

IN SENATE

May 19, 2023

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

AN ACT to amend the real property law, in relation to establishing the homeownership protection program

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

1 Section 1. The real property law is amended by adding a new section
2 265-c to read as follows:

3 § 265-c. Homeownership protection program. 1. Legislative intent. The
4 legislature declares that the establishment of the homeownership
5 protection program (HOPP) is necessary to ensure continuation in perpetuity of New York's investment in its statewide network of non-profit
6 civil legal services providers and housing counseling agencies offering
7 a range of homeownership retention and preservation services to homeowners in every county in the state. The program is also necessary to
8 ensure that the statutory mandates of sections thirteen hundred three
9 and thirteen hundred four of the real property actions and proceedings law and rule thirty-four hundred eight of the civil practice law and
10 rules are fulfilled, so that free housing counseling and legal services
11 are available to homeowners as provided for by sections thirteen hundred
12 three and thirteen hundred four of the real property actions and
13 proceedings law in every county, and so that legal services are avail-
14 able to assist homeowners answering complaints and participating in
15 mandatory settlement conferences pursuant to rule thirty-four hundred
16 eight of the civil practice law and rules.

17 2. Counseling and legal representation of individuals who are facing
18 loss of their home or threats to homeownership. (a) Within one year of
19 the effective date of this section, the department of law shall estab-
20 lish the homeownership protection program to ensure the availability of
21 free housing counseling and legal services to homeowners for the
22 purposes of mitigating threats to homeownership including, but not
23 including, but not
24 including, but not
25 including, but not

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

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1 limited to, homeownership retention, home preservation, as a tool for
2 preventing deed theft and other scams targeted to homeowners, preventing
3 avoidable foreclosures and displacement, preserving home equity,
4 preserving homeownership especially in communities of color, and for any
5 other purposes related to preserving homeownership. Such program shall
6 be funded by annual appropriation by the legislature.

7 (b) The department of law shall provide grants to eligible not-for-
8 profit housing counseling organizations and legal services organizations
9 to provide services under the program. Such services shall include, but
10 not be limited to, assistance with loss mitigation and loan and workout
11 applications and negotiations; assistance in applying for assistance
12 programs for homeowners; assistance with resolving property tax, utility
13 and building code violation debts and liens; representation in mortgage
14 and tax and utility lien foreclosure litigation, limited scope represen-
15 tation at settlement conferences pursuant to rule thirty-four hundred
16 eight of the civil practice law and rules; assistance to unrepresented
17 litigants with answers and motions in judicial foreclosure proceedings
18 and brief advice; assistance to homeowners victimized by deed fraud,
19 distressed property consultant, partition and other scammers; and
20 redress of predatory and discriminatory lending, abusive mortgage
21 servicing, and property flipping, including affirmative litigation and
22 administrative complaints with federal, state and local fair housing
23 agencies.

24 3. Program administration. (a) The department of law shall establish
25 criteria for selection of grant applications, review applications and
26 make awards, and exercise and perform such other functions as are
27 related to the purposes of this section.

28 (b) The department of law shall make one-year grants, within the
29 amounts appropriated for that purpose, to not-for-profit housing coun-
30 seling organizations serving homeowners at risk of losing their homes,
31 and legal services organizations, to provide counseling services and
32 legal representation of persons who reside in the state of New York who
33 are facing threats to homeownership.

34 (c) The department of law shall make one-year grants to ensure that
35 housing counseling and legal services are available free of charge to
36 homeowners in every county of the state and to ensure that the statutory
37 mandates of sections thirteen hundred three and thirteen hundred four of
38 the real property actions and proceedings law and rule thirty-four
39 hundred eight of the civil practice law and rules are fulfilled.

40 (d) The department of law shall make one-year grants to ensure
41 adequate training, technical assistance and support is provided to the
42 not-for-profit housing counseling and legal services organizations
43 providing services under this section, and to ensure the management of
44 grants and supportive services such as toll-free hotlines, dedicated
45 outreach, technical expertise and other assistance is made available to
46 the organizations providing services.

47 4. Reporting. Each not-for-profit housing counseling organization and
48 legal services organization receiving a grant under this section shall
49 report to the department of law and the division of housing and communi-
50 ty renewal no later than sixty days after the end of each one-year
51 grant. Such report shall include an accounting of the funds received by
52 the grant and the services provided.

53 § 2. This act shall take effect immediately.