

# STATE OF NEW YORK

7297--B

2023-2024 Regular Sessions

## IN SENATE

May 19, 2023

Introduced by Sens. KAVANAGH, CHU, COONEY, GOUNARDES, HINCHEY, JACKSON, RYAN -- read twice and ordered printed, and when printed to be committed to the Committee on Judiciary -- recommitted to the Committee on Judiciary in accordance with Senate Rule 6, sec. 8 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

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 of New  
6 York's investment in its statewide network of non-profit civil legal  
7 services providers and housing counseling agencies offering a range of  
8 homeownership retention and preservation services to homeowners in every  
9 county in the state. The program is also necessary to ensure that the  
10 statutory mandates of sections thirteen hundred three and thirteen  
11 hundred four of the real property actions and proceedings law and rule  
12 thirty-four hundred eight of the civil practice law and rules are  
13 fulfilled, so that free housing counseling and legal services are avail-  
14 able to homeowners as provided for by sections thirteen hundred three  
15 and thirteen hundred four of the real property actions and proceedings  
16 law in every county, and so that legal services are available to assist  
17 homeowners answering complaints and participating in mandatory settle-  
18 ment conferences pursuant to rule thirty-four hundred eight of the civil  
19 practice law and rules.

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

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1 2. Counseling and legal representation of individuals who are facing  
2 loss of their home or threats to homeownership. (a) Within one year of  
3 the effective date of this section, the department of law shall estab-  
4 lish the homeownership protection program to ensure the availability of  
5 free housing counseling and legal services to homeowners for the  
6 purposes of mitigating threats to homeownership including, but not  
7 limited to, homeownership retention, home preservation, estate planning,  
8 as a tool for preventing theft of real property and other scams targeted  
9 to homeowners, preventing avoidable foreclosures and displacement,  
10 preserving home equity, preserving homeownership, especially in communi-  
11 ties of color, and for any other purposes related to preserving homeown-  
12 ership. Such program shall be funded by annual appropriation by the  
13 legislature.

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

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

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

42 (c) The department of law shall make one-year grants, within the  
43 amounts appropriated for that purpose, to ensure that housing counseling  
44 and legal services are available free of charge to homeowners in every  
45 county of the state and to ensure that the statutory mandates of  
46 sections thirteen hundred three and thirteen hundred four of the real  
47 property actions and proceedings law and rule thirty-four hundred eight  
48 of the civil practice law and rules are fulfilled.

49 (d) The department of law shall make one-year grants, within the  
50 amounts appropriated for that purpose, to ensure adequate training,  
51 technical assistance and support is provided to the not-for-profit hous-  
52 ing counseling and legal services organizations providing services under  
53 this section, and to ensure the management of grants and supportive  
54 services including, but not limited to, toll-free hotlines, dedicated  
55 outreach, technical expertise and other assistance is made available to  
56 the organizations providing services.

1 4. Reporting. Each not-for-profit housing counseling organization and  
2 legal services organization receiving a grant under this section shall  
3 at a minimum report to the attorney general no later than sixty days  
4 after the end of each one-year grant. Such report shall include an  
5 accounting of the funds received by the grant and the services provided.

6 § 2. This act shall take effect immediately.