

# STATE OF NEW YORK

7297--C

Cal. No. 1118

2023-2024 Regular Sessions

## IN SENATE

May 19, 2023

Introduced by Sens. KAVANAGH, BRISPORT, 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 -- reported favorably from said committee and committed to the Committee on Finance -- reported favorably from said committee, ordered to first report, amended on first report, ordered to a second report and ordered reprinted, retaining its place in the order of second report

AN ACT to amend the real property law, in relation to establishing the homeowner 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. Homeowner protection program. 1. Legislative intent. The  
4 legislature declares that the establishment of the homeowner protection  
5 program (HOPP) is necessary to ensure continuation of New York's invest-  
6 ment in its statewide network of non-profit civil legal services provid-  
7 ers and housing counseling agencies offering a range of homeownership  
8 retention and preservation services to homeowners in every county in the  
9 state. The program is also necessary to ensure that the statutory  
10 mandates of sections thirteen hundred three and thirteen hundred four of  
11 the real property actions and proceedings law and rule thirty-four  
12 hundred eight of the civil practice law and rules are fulfilled, so that  
13 free housing counseling and legal services are available to homeowners  
14 as provided for by sections thirteen hundred three and thirteen hundred  
15 four of the real property actions and proceedings law in every county,  
16 and so that legal services are available to assist homeowners answering

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

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1 complaints and participating in mandatory settlement conferences pursu-  
2 ant to rule thirty-four hundred eight of the civil practice law and  
3 rules.

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

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

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

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

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

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

1 outreach, technical expertise and other assistance is made available to  
2 the organizations providing services.

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

8 § 2. This act shall take effect immediately.