STATE OF NEW YORK

7386

2023-2024 Regular Sessions

IN ASSEMBLY

May 19, 2023

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

AN ACT to amend the real property law and the banking law, in relation to preventing fraudulent deed transfers

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

Section 1. Section 333 of the real property law is amended by adding a new subdivision 4 to read as follows:

4. A recording officer shall not record or accept for record any conveyance of real property affecting land in New York state unless such conveyance contains, or is accompanied by an addendum containing, explicit and bold language that reads, "YOU ARE HEREBY MADE AWARE THAT BY SIGNING THIS DEED YOU ARE TRANSFERRING OWNERSHIP OF YOUR LAND OR HOME", with a signature line under such language which shall contain a notarized signature of the transferor. Failure of a person or corporation to use a deed without such warning language or if the transferor does not sign the acknowledgement to complete such deed transfer pursuant to this section shall be a class E felony.

§ 2. Section 6-n of the banking law is amended by adding a new subdivision 3 to read as follows:

3. No deed transfer from a borrower to a mortgage servicer that is transferred as part of a modification of mortgage terms shall be considered a valid deed transfer. The department shall have the authority to investigate any deed transfer that is in violation of this subdivision.

§ 3. Subdivision 1 of section 14 of the banking law is amended by adding a new paragraph (t) to read as follows:

(t) To prescribe the methods and standards under which the department shall receive and investigate claims of fraudulent deed transfers, including, but not limited to deed transfers that are in violation of subdivision three of section six-n of this chapter.

§ 4. This act shall take effect immediately.

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

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