STATE OF NEW YORK

7218

2025-2026 Regular Sessions

IN ASSEMBLY

March 21, 2025

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

AN ACT to amend the real property actions and proceedings law, in relation to requiring the foreclosing party in a residential foreclosure action to offer a refinancing opportunity to the mortgagor

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

Section 1. Section 1303 of the real property actions and proceedings law is amended by adding a new subdivision 3-b to read as follows:

3-b. (a) At the time the notice to any residential mortgagor required by paragraph a of subdivision one of this section is delivered to the mortgagor or the mortgagor's agent, the foreclosing party shall also provide an offer to the mortgagor to refinance the mortgage. Such offer shall be included with the summons and complaint at the time such documents are served upon the mortgagor or the mortgagor's agent.

(b) The refinancing offer described in paragraph (a) of this subdivision shall be an offer to refinance the mortgage at the lowest interest rate offered by the foreclosing party within the thirty days prior to the commencement of the foreclosure proceeding, and shall be irrespective of the borrower's credit rating, income, assets or payment history.

(c) A foreclosing party shall not be required to offer refinancing pursuant to this subdivision more than one time in a foreclosure proceeding or more than one time with respect to the same property while the property is owned by the same mortgagor.

(d) The provisions of this subdivision shall only apply when the foreclosing party is a bank or financial institution that offers mortgages for residential real property as part of its regular course of business and is the sole holder of the mortgage on the property.

§ 2. This act shall take effect on the sixtieth day after it shall have become a law and shall apply to all foreclosures on residential properties commencing on or after such date.

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

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