STATE OF NEW YORK

8863

2025-2026 Regular Sessions

IN ASSEMBLY

June 9, 2025

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

AN ACT to amend the real property actions and proceedings law, in relation to establishing a right of action for deed theft

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

Section 1. Short title. This act shall be known and may be cited as the "deed theft: private right of action act".

§ 2. The real property actions and proceedings law is amended by adding a new section 891 to read as follows:

§ 891. Action for deed theft. 1. Definitions. For the purposes of this section, the following terms shall have the following meanings:

(a) "Bank" means any trust company, private banker, savings bank, safe deposit company, licensed lender, savings and loan association, credit union, investment company, or mutual trust company, as such terms are defined in section two of the banking law, that provides a loan for a real property.

(b) "Deed theft" means the act of taking, transferring or encumbering title to residential or commercial real property without the owner's approval or knowledge, or through fraudulent or deceitful means. Deed theft includes, but is not limited to actions taken by a natural person or entity whereby such person or entity:

(i) alters, falsifies, forges, or misrepresents any written instrument involved in the conveyance or financing of real property, such as a residential or commercial deed or title, with the intent to deceive, defraud, or unlawfully transfer or encumber the ownership rights or a portion thereof of residential or commercial property;

(ii) misrepresents themselves as the owner or authorized representative of residential or commercial real property to induce others to rely on such false information in order to obtain ownership or possession of such real property;

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

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(iii) takes, obtains, or transfers title or ownership of residential or commercial real property by fraud, misrepresentation, forgery, larceny, false pretenses, false promise, or any other fraudulent or deceptive practice; or

(iv) fails to disclose materially relevant information in order to induce an unfair transfer or encumbrance of the ownership rights of residential or commercial real property.

(c) "Deed thief" means a natural person or entity that commits deed theft.

2. Private right of action for victims of deed theft. (a) A person or entity that is a victim of deed theft, as defined in this section, may maintain a private right of action against any deed thief, as defined in this section, who has committed deed theft against the real property of such person or entity. In evaluating whether a deed thief has acted with the intent to deceive or engage in a substantially unfair practice, the finder of fact shall consider the relative sophistication and vulnerability of the parties to the transaction.

(b) A person or entity that is a victim of deed theft, as defined in this section, may maintain an action against a bank that has negligently facilitated deed theft if such bank:

(i) provides a loan to a deed thief and such loan materially assists the deed thief in the commission of the deed theft; and

(ii) fails to conduct reasonable due diligence or complete a standard non-negligent investigation regarding the real property that is subject to the claim of deed theft.

(c) A person or entity that is a victim of deed theft, as defined in this section, may maintain an action against a title insurance corporation that has negligently facilitated such deed theft if such title insurance corporation:

(i) provides title insurance coverage to a bank that provides a loan to a deed thief and such title insurance coverage assists in the commission of the deed theft; and

(ii) fails to conduct reasonable due diligence or complete a standard non-negligent investigation of the title ownership of the real property that is subject to the claim of deed theft.

3. Damages and attorney fees. (a) A person or entity that is a victim of deed theft shall be entitled to recover treble damages and attorneys' fees from a person or entity that has committed deed theft pursuant to paragraph (a) of subdivision two of this section.

(b) A person or entity that is a victim of deed theft shall be entitled to recover:

(i) treble damages and attorneys' fees from a bank or title insurance corporation that has committed deed theft pursuant to paragraph (b) or (c) of subdivision two of this section when it is proven by a preponderance of the evidence that such bank or title insurance corporation knowingly or recklessly facilitated such deed theft; or

(ii) damages and attorneys' fees from a bank or title insurance corporation that has committed deed theft pursuant to paragraph (b) or (c) of subdivision two of this section.

§ 3. This act shall take effect on the ninetieth day after it shall have become a law. Effective immediately, the addition, amendment and/or repeal of any rule or regulation necessary for the implementation of this act on its effective date are authorized to be made and completed on or before such effective date.