STATE OF NEW YORK

9554--B

IN ASSEMBLY

January 14, 2026

Introduced by M. of A. MEEKS, MAGNARELLI, REYES, CUNNINGHAM, GLICK, SOLAGES, SCHIAVONI, WRIGHT, KASSAY, P. CARROLL, RAGA, LUNSFORD, VALDEZ, STIRPE, LUPARDO, McMAHON, CASHMAN, CLARK, BRONSON, HEVESI, LAVINE, FORREST, HYNDMAN, ANDERSON, LEE, O'PHARROW, ALVAREZ, DE LOS SANTOS, HOOKS, SAYEGH, JENSEN -- read once and referred to the Committee on Banks -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- again reported from said committee with amendments, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the banking law, in relation to enacting the "deed protection act"

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 protection act".

§ 2. The banking law is amended by adding a new section 595-d to read as follows:

§ 595-d. Foreclosure dependent on fraudulent title prohibited. 1. No mortgage banker or mortgage loan servicer shall commence, maintain, or proceed with a foreclosure action on a mortgage loan where such mortgage banker or mortgage loan servicer knows or has reason to know that the mortgage securing such loan is dependent on a deed, conveyance, or other instrument affecting title to residential real property that was procured by fraud, forgery, or other unlawful means, such that the mortgagor did not obtain a valid interest in the property.

2. Prior to commencing a foreclosure action, a mortgage banker or mortgage loan servicer shall conduct a reasonable review of the mortgage loan and available records to determine whether there is a reasonable basis to believe that such mortgage loan is secured by a valid and enforceable interest in the mortgaged residential real property.

3. Nothing in this section shall be construed to limit or impair any right or remedy available at law or in equity relating to fraud, forgery, or other unlawful acts affecting title to residential real property.

4. A violation of this section shall constitute a violation of this article.

§ 3. This act shall take effect immediately.

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

LBD14344-04-6