STATE OF NEW YORK

9588

IN ASSEMBLY

January 21, 2026

Introduced by M. of A. TORRES -- read once and referred to the Committee on Banks

AN ACT to amend the banking law, in relation to prohibiting certain financial institutions from charging a fee for changing the frequency of mortgage payments

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

Section 1. The banking law is amended by adding a new section 9-aa to read as follows:

§ 9-aa. Fees for certain mortgage payments prohibited. 1. Notwithstanding any other provision of law or rule or regulation to the contrary, no financial institution subject to the provisions of this chapter, including any banking organization, mortgage broker or mortgage banker, interstate branch established pursuant to article five-C of this chapter, or other investment entity subject to regulation by the department, which provides an account, mortgage, or mortgage loan services to a customer shall charge a fee for such accountholder to pay their mortgage monthly, semi-monthly, or biweekly. Such prohibited fees shall include, but not be limited to:

(a) additional costs, payments, fees, penalties, or premiums for changing between monthly, semi-monthly, and biweekly mortgage payments.

(b) payment of an additional mortgage payment, or any part thereof, before being permitted to change between monthly, semi-monthly, and biweekly mortgage payments.

2. Notwithstanding any other provision of law or rule or regulation to the contrary, each financial institution subject to the provisions of this chapter, including any banking organization, mortgage broker or mortgage banker, interstate branch established pursuant to article five-C of this chapter, or other investment entity subject to regulation by the department, which provides a mortgage or mortgage loan services to a customer shall provide such customer with an amortization schedule and potential interest savings if such customer were to choose a monthly, semi-monthly, or biweekly mortgage payment schedule and information on how to change to a different payment schedule.

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

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3. If any provision of this section or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or application of this section which can be given effect without the invalid provision or application, and to this end the provisions of this section are severable.

§ 2. This act shall take effect on the one hundred eightieth day after it shall have become a law.