

# STATE OF NEW YORK

2122

2025-2026 Regular Sessions

## IN SENATE

January 15, 2025

Introduced by Sen. FAHY -- read twice and ordered printed, and when printed to be committed to the Committee on Housing, Construction and Community Development

AN ACT to amend the real property actions and proceedings law, in relation to authorizing municipalities and the department of financial services to seek civil penalties for violations of the duty to maintain a foreclosed property

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

1 Section 1. Section 1307 of the real property actions and proceedings  
2 law is amended by adding a new subdivision 3-a to read as follows:

3 3-a. (a) In addition to the rights to enforce certain obligations and  
4 recover certain costs pursuant to subdivision three of this section,  
5 violations of this section by a plaintiff in a mortgage foreclosure  
6 action may be brought before a hearing officer or a court of competent  
7 jurisdiction by an entity authorized pursuant to paragraph (b) or (c) of  
8 this subdivision. If it shall appear to the satisfaction of such hearing  
9 officer or court, based on the preponderance of the evidence, that such  
10 plaintiff has violated this section, a civil penalty may be issued by  
11 such hearing officer or court in the amount of up to five hundred  
12 dollars per day for each day such violation persisted after the judgment  
13 of foreclosure has been issued.

14 (b) The superintendent of financial services may, as appropriate and  
15 in such superintendent's sole discretion, pursue any suspected violation  
16 of this section by a plaintiff in a mortgage foreclosure action. Before  
17 taking such action, the superintendent of financial services shall give  
18 such plaintiff at least seven days' notice of such violation.

19 (c) The municipality in which such residential real property is  
20 located shall have the right to enforce the obligations described in  
21 this section in any court of competent jurisdiction after at least seven  
22 days' notice to the plaintiff in the mortgage foreclosure action for

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

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1 such property, unless such property requires emergency repairs to  
2 address a threat to public health, safety or welfare, in which case such  
3 municipality may enter and maintain such property to cure such emergen-  
4 cy, provided however, notice shall be provided to such plaintiff as soon  
5 as practicable. Such municipality shall provide the department of finan-  
6 cial services with written notice at least ten days prior to bringing an  
7 action pursuant to this subdivision; provided, however, that failure to  
8 comply with such notice requirement shall not be a defense against the  
9 action pursuant to this subdivision. The authority provided by this  
10 subdivision shall be in addition to, and shall not be deemed to diminish  
11 or reduce, any rights of the parties described in this section under  
12 existing law against the plaintiff for failure to maintain such proper-  
13 ty. Any civil penalty imposed pursuant to paragraph (a) of this subdi-  
14 vision in an action brought by a municipality pursuant to this paragraph  
15 shall be retained by such municipality.

16 (d) The department of financial services shall be authorized and  
17 empowered to adopt such rules and regulations as may, in the judgment of  
18 the superintendent of financial services, be necessary for the effective  
19 implementation, administration, operation and enforcement of this  
20 section.

21 § 2. This act shall take effect immediately.