

# STATE OF NEW YORK

767

2025-2026 Regular Sessions

## IN SENATE

(Prefiled)

January 8, 2025

Introduced by Sen. COMRIE -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

AN ACT to amend the banking law, in relation to notice of the posting of the what mortgage applicants need to know pamphlet on residential mortgages and modification of such pamphlet

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

1 Section 1. Section 35 of the banking law, as added by a chapter of the  
2 laws of 2024 amending the banking law relating to what mortgage appli-  
3 cants need to know pamphlet on residential mortgages, as proposed in  
4 legislative bills numbers S. 5597-B and A. 9686, is amended to read as  
5 follows:  
6 § 35. Information pamphlet for residential mortgage applicants. 1.  
7 The superintendent shall develop a pamphlet known as "what mortgage  
8 applicants need to know" and post such pamphlet on the department's web  
9 site. Such pamphlet shall be posted and printed in the six most common  
10 non-English languages spoken by individuals with limited-English profi-  
11 ciency in New York state as based on the most recent census. [~~Copies of~~  
12 ~~such pamphlet shall be provided to all licensed lenders and banking~~  
13 ~~organizations offering residential mortgage services.~~] The department  
14 will notify mortgage bankers and banking organizations when the pamphlet  
15 is posted on the department's web site and when any changes to the  
16 pamphlet are made. A copy of such pamphlet shall be provided by  
17 [~~licensed lenders,~~] mortgage bankers and other banking organizations to  
18 each person applying for a loan secured by a mortgage upon residential  
19 real estate in accordance with the timing requirements under 12 CFR §  
20 1026.19(e)(1)(iii). A [~~licensed lender,~~] mortgage banker or [~~other~~]  
21 banking organization may provide the applicant with the pamphlet via  
22 electronic communications, including but not limited to, electronic mail  
23 or a hyperlink to the pamphlet posted on the department's web site.

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

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1 2. The pamphlet [~~and web site notice~~] developed pursuant to this  
2 section shall [~~include~~] be substantially in the following form, along  
3 with other information added at the discretion of the superintendent  
4 [~~not otherwise inconsistent with the information set forth in the~~  
5 ~~pamphlet~~]:

6 "WHAT MORTGAGE APPLICANTS NEED TO KNOW"

7 As an applicant for a residential mortgage you have the right to:

8 1. Compare and negotiate the charges of different mortgage brokers and  
9 lenders to obtain the best loan possible.

10 2. Ask your mortgage broker to explain such person's responsibilities  
11 within the mortgage lending process.

12 3. Know how much the mortgage broker is compensated by you and the  
13 lender for your loan.

14 4. A clear and truthful explanation of the terms and conditions of the  
15 loan.

16 5. Know if the loan being offered is a fixed or adjustable rate mort-  
17 gage loan, whether the loan can be transferred or refinanced, know the  
18 exact amount of your monthly loan payments, including any projected  
19 escrow payments, know the final annual percentage rate (APR) and the  
20 amount of regular payments at the loan's closing.

21 6. Ask for [~~loan~~] an estimate detailing all loan and settlement charg-  
22 es before you agree to the loan and pay any fees, including without  
23 limitation loan application fees, title search and insurance fees, lend-  
24 er's attorney fees, property appraisal charges, inspections, recording  
25 fees, late payment fees, transfer taxes, point and origination fees,  
26 escrow account balances, which services a loan applicant can shop for  
27 and which they cannot, and you are entitled to receive such estimate  
28 within three business days of applying for a loan.

29 7. Obtain credit counseling before closing a loan.

30 8. Decide whether or not to finance any portion of the points or fees.

31 9. Refuse to purchase credit insurance for any mortgage loan.

32 10. Have your property appraised by an independent licensed profes-  
33 sional and to receive a copy of the appraisal.

34 11. Not be subject to deceptive marketing practices.

35 12. Ask for the consumer financial protection bureau's booklet "Your  
36 home loan toolkit".

37 13. Receive the following documents, and every document otherwise  
38 required to be given to you at closing under federal and New York state  
39 law:

40 a. Loan estimate[~~r~~] or good faith estimate depending on the loan you  
41 are applying for.

42 b. Closing disclosure.

43 14. Know what deposits and fees are not refundable if you decide to  
44 cancel the loan agreement.

45 15. Receive in writing the reason for the denial or conditional  
46 approval of your loan application.

47 16. If refinancing, you may cancel a loan within three days of the  
48 closing by providing written notification of cancellation to the  
49 licensed lender or banking institution.

50 17. Receive the closing disclosure three days before the closing takes  
51 place.

52 18. Have any lending disputes resolved in a fair and equitable manner.

53 19. A credit decision that is not based upon your race, color,  
54 national origin, religion, sex, family status, sexual orientation, disa-  
55 bility or whether any income is from public assistance.

1 20. File a complaint with the department or the Consumer Financial  
2 Protection Bureau if you believe that a mortgage broker or any other  
3 entity licensed by the department or the Consumer Financial Protection  
4 Bureau has violated any rules, regulations or laws which govern such  
5 person's conduct in working with you to get or process a mortgage loan.

6 21. File a complaint with the New York state department of state or  
7 the Consumer Financial Protection Bureau if you believe that a real  
8 estate broker has violated any rules, regulations or laws which govern  
9 such person's conduct in working with you to purchase a home."

10 3. The superintendent may modify the language of the pamphlet to  
11 ensure that the pamphlet is accurate and consistent with applicable law.

12 § 2. This act shall take effect on the same date and in the same  
13 manner as a chapter of the laws of 2024 amending the banking law relat-  
14 ing to what mortgage applicants need to know pamphlet on residential  
15 mortgages, as proposed in legislative bills numbers S. 5597-B and A.  
16 9686, takes effect.