# STATE OF NEW YORK

8066

2025-2026 Regular Sessions

# IN SENATE

May 15, 2025

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

AN ACT to amend the real property law, in relation to limits on amount of flood insurance required by a mortgagee

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

Section 1. Section 283 of the real property law, as amended by chapter 64 of the laws of 2025, is amended to read as follows:

§ 283. Limits on amount of flood insurance required by mortgagee. **1.** No mortgagee shall require a mortgagor to whom the mortgagee makes, increases, extends, or renews any loan or line of credit secured by improved residential real property to purchase or pay for flood insurance on such residential real property: (1) at a coverage amount that exceeds the lesser of the replacement value of the **improvement on the** residential real property or the outstanding principal mortgage balance as of the beginning of the year for which the policy shall be in effect; or (2) that includes coverage for contents**. In the case of an open-end line of credit, "principal" shall include the full line of credit amount regardless of the amount that has been drawn on the line of credit**. In each instance where a mortgagee requires a mortgagor to purchase or pay for flood insurance on such residential real property, the mortgagee shall provide notice to the mortgagor at the time the mortgagee is notified of the need to purchase or pay for flood insurance that states the following in clear and conspicuous print: 'The flood insurance we are requiring you to purchase may not be sufficient to pay for many needed repairs after a flood and may not compensate you for your losses in the property due to the flood. If you wish to protect your home or investment, you may wish to purchase more flood insurance than the amount we are requiring you to buy.'

**2. Any entity subject to the requirements of subdivision one of this section and subject to the National Flood Insurance Act (42 U.S.C. §**

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

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4001 et. seq.) and implementing regulations issued by Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, the National Credit Union Administration, or the Farm Credit Administration, as applicable, shall not be in violation of subdivision one of this section when it requires flood insurance in minimum required amount or for contents under the National Flood Insurance Act and applicable regulations.

§ 2. This act shall take effect on the same date and in the same manner as section 1 of chapter 64 of the laws of 2025, takes effect.