

STATE OF NEW YORK

10469

IN SENATE

May 15, 2026

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

AN ACT to amend the surrogate's court procedure act, in relation to certain assignments to a transferee for value

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

1 Section 1. The surrogate's court procedure act is amended by adding a
2 new section 1425 to read as follows:

3 § 1425. Assignment to a transferee for value

4 1. This section applies when an assignment from a decedent's estate is
5 made to a transferee for value who acquires any interest of a benefici-
6 ary in exchange for cash or other consideration.

7 2. For purposes of this section, a transferee for value is a person
8 who satisfies both of the following criteria:

9 (a) The person purchases the interest from a beneficiary for consider-
10 ation pursuant to a written agreement; and

11 (b) The person, directly or indirectly, regularly engages in the
12 purchase of beneficial interests in estates for consideration.

13 3. This section shall not apply to any of the following:

14 (a) a transferee who is a beneficiary of the estate or a person who
15 has a claim to distribution from the estate under another instrument or
16 by intestate succession;

17 (b) a transferee who is either the registered domestic partner of the
18 beneficiary, or is related by blood, marriage, or adoption to the bene-
19 ficiary or the decedent; or

20 (c) a transferee who is engaged in the business of locating missing or
21 unknown heirs and who acquires an interest from a beneficiary solely in
22 exchange for providing information or services associated with locating
23 the heir or beneficiary.

24 4. A written agreement is effective only if all the following condi-
25 tions are met:

26 (a) The executed written agreement is filed with the court, in accord-
27 ance with 22 NYCRR 207.47, not later than forty-five days following the
28 date of its execution or, if administration of the decedent's estate has

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

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1 not commenced, not later than forty-five days following the issuance by
2 the surrogate's court of fiduciary letters. Prior to filing or serving
3 such written agreement, the transferee for value shall redact any
4 personally identifying information of the beneficiary, other than the
5 name and address of the beneficiary, and any financial information
6 provided by the beneficiary to the transferee for value on the applica-
7 tion for cash or other consideration, from the agreement;

8 (b) If the negotiation or discussion between the beneficiary and the
9 transferee for value leading to the execution of the written agreement
10 by the beneficiary was conducted in a language other than English, the
11 beneficiary shall receive the written agreement in English, together
12 with a copy of the agreement translated into the language in which it
13 was negotiated or discussed. The written agreement and the translated
14 copy, if any, shall be provided to the beneficiary;

15 (c) The documents signed by, or provided to, the beneficiary are
16 printed in at least ten-point type;

17 (d) The transferee for value executes a declaration or affidavit
18 attesting that the requirements of this section have been satisfied, and
19 the declaration or affidavit is filed with the court within forty-five
20 days of execution of the written agreement or, if administration of the
21 decedent's estate has not commenced, not later than forty-five days
22 following the issuance by the surrogate's court of fiduciary letters;
23 and

24 (e) Notice of the assignment is served on the personal representative
25 or the attorney of record for the personal representative within forty-
26 five days of execution of the written agreement or, if letters of admin-
27 istration or letters testamentary have not been issued, not later than
28 forty-five days following the issuance by the surrogate's court of fidu-
29 ciary letters.

30 5. The written agreement shall include the following terms, in addi-
31 tion to any other terms:

32 (a) the amount of consideration paid to the beneficiary;

33 (b) a description of the transferred interest;

34 (c) if the written agreement so provides, the amount by which the
35 transferee for value would have its distribution reduced if the benefi-
36 cial interest assigned is distributed prior to a specified date; and

37 (d) a statement of the total of all costs or fees charged to the benefi-
38 ciary resulting from the transfer for value, including, but not limit-
39 ed to, transaction or processing fees, credit report costs, title search
40 costs, due diligence fees, filing fees, bank or electronic transfer
41 costs, or any other fees or costs. If all the costs and fees are paid by
42 the transferee for value and are included in the amount of the trans-
43 ferred interest, then the statement of costs need not itemize any costs
44 or fees. This paragraph shall not apply to costs, fees, or damages aris-
45 ing out of a material breach of the agreement or fraud by or on the part
46 of the beneficiary.

47 6. A written agreement shall not contain any of the following
48 provisions and, if any such provision is included, that provision shall
49 be null and void:

50 (a) a provision holding harmless the transferee for value, other than
51 for liability arising out of fraud by the beneficiary;

52 (b) a provision granting to the transferee for value agency powers to
53 represent the beneficiary's interest in the decedent's estate beyond the
54 interest transferred;

1 (c) a provision requiring payment by the beneficiary to the transferee
2 for value for services not related to the written agreement or services
3 other than the transfer of interest under the written agreement; or

4 (d) a provision permitting the transferee for value to have recourse
5 against the beneficiary if the distribution from the estate in satisfac-
6 tion of the beneficial interest is less than the beneficial interest
7 assigned to the transferee for value, other than recourse for any
8 expense or damage arising out of the material breach of the agreement or
9 fraud by the beneficiary.

10 7. The surrogate's court on its own, may inquire into the circum-
11 stances surrounding the execution of, and the consideration for, the
12 written agreement for purposes of determining whether the requirements
13 of this section have been satisfied.

14 § 2. This act shall take effect immediately.