

STATE OF NEW YORK

1082

2025-2026 Regular Sessions

IN SENATE

(Prefiled)

January 8, 2025

Introduced by Sens. RAMOS, MAY -- read twice and ordered printed, and when printed to be committed to the Committee on Corporations, Authorities and Commissions

AN ACT to amend the public authorities law and the state finance law, in relation to establishing the New York title guaranty program; to establish the New York title guaranty commission; and to repeal certain provisions of the insurance law relating thereto

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

1 Section 1. Legislative findings. The legislature finds and declares
2 that a state title guaranty program promotes land title stability and a
3 low-cost mechanism to provide for guaranties of real property titles in
4 New York state. The title guaranty corporation established by this act
5 will facilitate developers', homebuyers', and mortgage lenders' partic-
6 ipation and add to the integrity of the land-title transfer system in
7 the state.

8 § 2. Article 10-D of the public authorities law is amended by adding a
9 new title 4 to read as follows:

TITLE 4

NEW YORK TITLE GUARANTY PROGRAM

Section 3974. New York title guaranty program.

3975. New York title guaranty corporation.

14 § 3974. New York title guaranty program. (a) There is hereby created
15 the New York title guaranty program to initiate and operate a program
16 which shall offer guaranties of real property titles in this state. The
17 program shall be authorized and administered by a new state corporation
18 entitled the New York title guaranty corporation. The corporation shall
19 determine the terms, conditions, and form of the guaranty contract. The
20 corporation shall fix a charge for the guaranty in an amount sufficient
21 to permit the program to operate on a self-sustaining basis, including

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

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1 payment of administrative costs and the maintenance of an adequate
2 reserve against claims under the New York title guaranty program.

3 (b) A title guaranty or gap coverage issued under this program is an
4 obligation of the corporation only and claims are payable solely and
5 only out of the moneys, assets, and revenues of the title guaranty fund
6 established and held by the corporation and are not an indebtedness or
7 liability of the state. The state shall not be liable on any guaranty or
8 gap coverage.

9 (c) The corporation shall consult with the department of financial
10 services in developing a guaranty contract and developing any other
11 feature of the program with which the department of financial services
12 may have special expertise.

13 (d) Each participating attorney and abstractor may be required to pay
14 an annual participation fee to be eligible to participate in the New
15 York title guaranty program. The fee, if any, shall be set by the corpo-
16 ration.

17 (e) The participation of abstractors and attorneys shall be in accord-
18 ance with rules established by the corporation and adopted by the
19 program pursuant to the state administrative procedure act, including
20 rules for the payment of reasonable fees and costs of necessary
21 services.

22 (1) (A) Each participant shall at all times maintain liability cover-
23 age in amounts approved by the corporation. Upon payment of a claim by
24 the corporation, the corporation shall be subrogated to the rights of
25 the claimant against all persons relating to the claim.

26 (B) Additionally, the state, through the corporation, shall establish
27 and maintain a statewide electronic database of real property throughout
28 the state. All instruments affecting real property in the state which
29 have heretofore been recorded in the office of a county clerk or other
30 municipal office shall be recorded in the statewide electronic database
31 of real property. The corporation may undertake additional methods to
32 obtain real property title information for purposes of creating and
33 maintaining a comprehensive statewide electronic database of real prop-
34 erty. The statewide electronic database of real property shall be
35 accessible to participating abstractors and attorneys under terms deter-
36 mined by the corporation, and the corporation may provide access to all
37 or portions of the database to the public.

38 (2) The corporation may waive the requirements of this subdivision
39 pursuant to an application of an attorney or abstractor which shows that
40 the requirements impose a hardship to the attorney or abstractor and
41 that the waiver clearly is in the public interest or is absolutely
42 necessary to ensure availability of title guaranties throughout the
43 state.

44 (f) Prior to the issuance of a title guaranty, the corporation shall
45 require evidence that an abstract of title to the real property in ques-
46 tion has been brought up-to-date and certified by a participating
47 abstractor in a form approved by the corporation and a title opinion
48 issued by a participating attorney in the form approved by the corpo-
49 ration stating the attorney's opinion as to the title. The corporation
50 shall require evidence of the abstract being brought up-to-date and the
51 abstractor shall retain evidence of the abstract as determined by the
52 corporation. The information obtained may be included in the statewide
53 electronic database.

54 (g) The attorney rendering a title opinion shall be authorized to
55 issue a title guaranty certificate subject to the rules of the corpo-
56 ration.

1 (h) The corporation shall adopt rules and regulations necessary for
2 the implementation of the New York title guaranty program as established
3 by this article.

4 § 3975. New York title guaranty corporation. 1. There is hereby
5 established the New York title guaranty corporation for the implementa-
6 tion of the New York title guaranty program. The corporation shall be a
7 body corporate and politic constituting a public benefit corporation.
8 The president of the corporation shall be nominated by the governor and
9 confirmed by the senate. The board of directors shall consist of twelve
10 members as follows: the president of the corporation, or the president's
11 designee, who shall serve as the chairperson of the board; three members
12 appointed by the governor; three members appointed by the temporary
13 president of the senate; three members appointed by the speaker of the
14 assembly; one member appointed by the minority leader of the senate; and
15 one member appointed by the minority leader of the assembly. One of the
16 governor's appointees shall serve an initial term of two years; one of
17 the governor's appointees shall serve an initial term of three years;
18 and one of the governor's appointees shall serve an initial term of four
19 years. One of the appointees of the temporary president of the senate
20 and one of the appointees of the speaker of the assembly shall serve
21 initial terms of two years; and two appointees of the temporary presi-
22 dent of the senate and two appointees of the speaker of the assembly
23 shall serve initial terms of four years. The appointees of the minority
24 leader of the senate and the minority leader of the assembly shall serve
25 initial terms of two years. Thereafter, all terms shall be for a period
26 of four years. In the event of a vacancy occurring in the office of
27 trustee by death, resignation or otherwise, the respective appointing
28 officer shall appoint a successor who shall hold office for the unex-
29 pired portion of the term.

30 2. On or before October first, two thousand twenty-seven, the New York
31 title guaranty board shall provide the governor and the legislature a
32 plan for the implementation of the New York title guaranty program.

33 3. To the maximum extent feasible, the state department of taxation
34 and finance, the department of financial services, the department of
35 housing and community renewal, and the department of finance of the city
36 of New York shall provide the board with such facilities, assistance and
37 data as will enable the board to carry out the powers and duties of the
38 corporation. Additionally, to the maximum extent feasible, all other
39 agencies of the state or subdivisions thereof shall, at the request of
40 the chairperson provide the board with such facilities, assistance, and
41 data as will enable the board to carry out the powers and duties of the
42 corporation.

43 4. The president shall have the authority to appoint such officers and
44 employees as it may require for the performance of the duties of the
45 corporation and to fix and determine their qualifications, duties, and
46 compensation, and to retain or employ counsel, auditors and private
47 financial consultants and other services on a contract basis or other-
48 wise for rendering professional, business or technical services and
49 advice.

50 § 3. The state finance law is amended by adding a new section 92-j to
51 read as follows:

52 § 92-j. Title guaranty fund. 1. There is hereby established in the
53 joint custody of the New York title guaranty corporation and the state
54 comptroller a special fund to be known as the "title guaranty fund".

55 2. The title guaranty fund shall consist of all moneys collected from
56 the New York title guaranty program collected pursuant to title four of

1 article ten-D of the public authorities law, and all other moneys cred-
2 ited or transferred thereto from any other fund or source pursuant to
3 law.

4 3. The moneys in such fund shall be available for payment of any and
5 all costs and expenditures incurred in performing any of the work
6 required in administering the New York title guaranty program pursuant
7 to title four of article ten-D of the public authorities law, including
8 claims, necessary reserves, staffing, administrative costs and expenses
9 incidental and appurtenant thereto; provided, however, that ten percent
10 of the moneys in such fund shall be used to fund the homeowner
11 protection program established by the office of the attorney general for
12 the purposes of foreclosure defense and homeowner education; and
13 provided, further, that twenty-five percent of the moneys in such fund
14 shall be directed to the New York state division of homes and community
15 renewal to fund such division's consolidated plan submitted to the
16 United States department of housing and urban development pursuant to 24
17 CFR Part 91.

18 4. Moneys in the title guaranty fund shall be kept separately from and
19 shall not be commingled with any other moneys in the joint or sole
20 custody of the New York title guaranty corporation and the state comp-
21 troller.

22 § 4. Article 64 of the insurance law is REPEALED.

23 § 5. Any title policy which was issued prior to the effective date of
24 this act pursuant to article 64 of the insurance law shall continue to
25 be governed by such article solely for the purposes of administering,
26 reserving for and paying claims on such pre-existing policies, under the
27 oversight and enforcement of the department of financial services.

28 § 6. This act shall take effect January 1, 2027. Effective immediate-
29 ly, the addition, amendment and/or repeal of any rule or regulation
30 necessary for the implementation of this act on its effective date are
31 authorized to be made and completed on or before such effective date.