STATE OF NEW YORK

2627

2025-2026 Regular Sessions

IN SENATE

January 22, 2025

Introduced by Sens. KAVANAGH, BRISPORT, COONEY, GOUNARDES, HINCHEY, JACKSON, MYRIE, S. RYAN -- 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 establishing the homeowner protection program

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

Section 1. The real property law is amended by adding a new section 265-c to read as follows:

§ 265-c. Homeowner protection program. 1. Legislative intent. The legislature declares that the establishment of the homeowner protection program (HOPP) is necessary to ensure continuation of New York's investment in its statewide network of non-profit civil legal services providers and housing counseling agencies offering a range of homeownership retention and preservation services to homeowners in every county in the state. The program is also necessary to ensure that the statutory mandates of sections thirteen hundred three and thirteen hundred four of the real property actions and proceedings law and rule thirty-four hundred eight of the civil practice law and rules are fulfilled, so that free housing counseling and legal services are available to homeowners as provided for by sections thirteen hundred three and thirteen hundred four of the real property actions and proceedings law in every county, and so that legal services are available to assist homeowners answering complaints and participating in mandatory settlement conferences pursuant to rule thirty-four hundred eight of the civil practice law and rules.

2. Counseling and legal representation of individuals who are facing loss of their home or threats to homeownership. (a) Within one year of the effective date of this section, the department of law shall establish the homeowner protection program to ensure the availability of free housing counseling and legal services to homeowners for the purposes of

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

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mitigating threats to homeownership including, but not limited to, homeownership retention, home preservation, estate planning, as a tool for preventing theft of real property and other scams targeted to homeowners, preventing avoidable foreclosures and displacement, preserving home equity, preserving homeownership, especially in communities of color, and for any other purposes related to preserving homeownership. Such program shall be funded by annual appropriation by the legislature.

(b) The department of law shall provide grants to eligible not-for-profit housing counseling organizations and legal services organizations to provide services under the program. Such services shall include, but not be limited to, assistance with loss mitigation and loan and workout applications and negotiations; assistance in applying for assistance programs for homeowners; assistance with resolving property tax, utility and building code violation debts and liens; representation in mortgage and tax and utility lien foreclosure litigation, limited scope representation at settlement conferences pursuant to rule thirty-four hundred eight of the civil practice law and rules; assistance to unrepresented litigants with answers and motions in judicial foreclosure proceedings and brief advice; assistance to homeowners victimized by deed fraud, distressed property consultant, partition and other scammers; and redress of predatory and discriminatory lending, abusive mortgage servicing, and property flipping, including affirmative litigation and administrative complaints with federal, state and local fair housing agencies; and for whatever other purpose deemed necessary by the department of law to preserve homeownership.

3. Program administration. (a) The department of law shall establish criteria for selection of grant applications, review applications and make awards, and exercise and perform such other functions as are related to the purposes of this section.

(b) The department of law shall make one-year grants, within the amounts appropriated for that purpose, to not-for-profit housing counseling organizations serving homeowners at risk of losing their homes, and legal services organizations, to provide counseling services and legal representation of persons who reside in the state of New York who are facing threats to homeownership.

(c) The department of law shall make one-year grants, within the amounts appropriated for that purpose, to ensure that housing counseling and legal services are available free of charge to homeowners in every county of the state and to ensure that the statutory mandates of sections thirteen hundred three and thirteen hundred four of the real property actions and proceedings law and rule thirty-four hundred eight of the civil practice law and rules are fulfilled.

(d) The department of law shall make one-year grants, within the amounts appropriated for that purpose, to ensure adequate training, technical assistance and support is provided to the not-for-profit housing counseling and legal services organizations providing services under this section, and to ensure the management of grants and supportive services including, but not limited to, toll-free hotlines, dedicated outreach, technical expertise and other assistance is made available to the organizations providing services.

4. Reporting. Each not-for-profit housing counseling organization and legal services organization receiving a grant under this section shall at a minimum report to the attorney general no later than sixty days after the end of each one-year grant. Such report shall include an accounting of the funds received by the grant and the services provided.

§ 2. This act shall take effect immediately.