

STATE OF NEW YORK

4579--A

2025-2026 Regular Sessions

IN SENATE

February 7, 2025

Introduced by Sens. HOYLMAN-SIGAL, JACKSON -- read twice and ordered printed, and when printed to be committed to the Committee on Banks -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the banking law, in relation to prohibiting bank investments in bad faith landlords

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

1 Section 1. The banking law is amended by adding a new section 13 to
2 read as follows:

3 § 13. Investments in bad faith landlords by state chartered banking
4 institutions. 1. No state chartered banking institution or entity
5 licensed pursuant to this chapter shall knowingly provide financing for
6 or invest in the stocks, securities, or other obligations of any limit-
7 ed-liability company, partnership, corporation or any other entity that
8 acquires, owns, sells, or manages real property, which itself, or a
9 member, officer, partner, shareholder, or director of which:

10 (a) in the past year has granted a tenant an abatement of rent based
11 on violations of the housing maintenance code, applicable housing stand-
12 ards, building code, health code or section two hundred thirty-five-b of
13 the real property law;

14 (b) in the past year has violated sections 2525.4 or 2505.4 of title 9
15 of the New York codes, rules and regulations or sections 7-105 or 7-108
16 of the general obligations law;

17 (c) in the past five years has engaged in repeated fraudulent or ille-
18 gal acts under subdivision twelve of section sixty-three of the execu-
19 tive law;

20 (d) in the past five years has engaged in deceptive acts or practices
21 under section three hundred forty-nine of the general business law;

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

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1 (e) in the past five years has violated sections 2525.5, 2505.6,
2 2205.1, or 2505.1 of title 9 of the New York codes, rules and regu-
3 lations;

4 (f) owns a property with more than one open hazardous or immediately
5 hazardous violation per dwelling unit within the past five years, as
6 determined by the local housing standards department;

7 (g) owns a property subject to the alternative enforcement program
8 under section 27-2153 of the administrative code of the city of New
9 York;

10 (h) in the past five years has engaged in harassment as defined in
11 section 27-2004 of the administrative code of the city of New York; or

12 (i) in the past five years has engaged in retaliation under section
13 two hundred twenty-three-b of the real property law;

14 (j) in the past five years has violated section two hundred twenty-
15 seven-f of the real property law; or

16 (k) in the past five years has violated paragraph a of subdivision
17 five of section two hundred ninety-six of the executive law.

18 2. Subdivision one of this section shall not apply when any financing,
19 loan, or investment will be used solely to cure an immediately hazardous
20 violation of the uniform fire prevention and building code, New York
21 city fire code, or New York city building and housing maintenance codes,
22 if applicable, or to prevent a foreseeable and imminent immediately
23 hazardous violation of said codes.

24 3. (a) A state-chartered banking institution or other entity licensed
25 pursuant to this chapter shall require an applicant for financing to
26 self-certify that they are not covered by acts listed in subdivision one
27 of this section or, if they are covered by acts listed in subdivision
28 one of this section, that the applicant will use the financing solely
29 for the purposes defined in subdivision two of this section.

30 (b) If an applicant wishes to qualify for an exemption under subdivi-
31 sion two of this section, an applicant must:

32 (i) Furnish records or reports to the creditor testifying to the imme-
33 diately hazardous condition to be cured or prevented; and

34 (ii) Furnish plans or statements to the creditor testifying to the
35 scope and cost of work to be performed.

36 4. An applicant who makes a false certification or furnishes false
37 records, reports, plans, statements, or any other documents or evidence
38 to receive financing under this section shall be subject to a civil
39 penalty not less than ten thousand dollars nor more than fifty thousand
40 dollars.

41 5. The superintendent shall promulgate regulations necessary to effec-
42 tuate the provisions of this section, including:

43 (a) regulations specifying the evidence applicants must furnish under
44 paragraph (b) of subdivision three of this section prior to and upon
45 completion of work undertaken to correct or to prevent an immediately
46 hazardous condition;

47 (b) a sample certification form creditors may use to comply with the
48 requirements of this section.

49 6. For purposes of this section, "state chartered banking institution"
50 shall have the same meaning as defined in subdivision one of section
51 twelve-a of this article.

52 § 2. This act shall take effect on the ninetieth day after the depart-
53 ment of financial services shall have promulgated regulations to effec-
54 tuate the provisions of this act and shall apply to all contracts
55 entered into, renewed, modified or amended on or after such effective
56 date.