§ 1197. Claims for surplus. 1. Any person who had any right, title, interest, claim, lien or equity of redemption in or upon a parcel immediately prior to the issuance of the judgment of foreclosure may file a claim with the court having jurisdiction for a share of any surplus resulting from the sale of such property. Such claims shall be administered and adjudicated, and such surplus shall be distributed, in the same manner as in an action to foreclose a mortgage pursuant to article thirteen of the real property actions and proceedings law, subject to the provisions of this section.

2. (a) Where the property was sold by a public sale, the amount paid for the property shall be accepted as the full value of the property. No party may maintain a claim for surplus or any other claim or action against the tax district on the basis that the amount paid for the property did not fairly represent the property's value.

(b) Where the property was sold by other than a public sale, a claimant may make a motion, upon notice to the enforcing officer, for the surplus to be recalculated on the basis that the property's full value on the date of the sale was substantially higher than the value used to measure the surplus pursuant to subparagraph (ii) of paragraph (a) of subdivision one of section eleven hundred ninety-six of this title. If the court or its referee finds that a preponderance of the evidence supports the claimant's position, the court may direct the enforcing officer to recalculate the surplus based upon the property's value as determined by the court or referee. The court may further direct the enforcing officer to pay the difference into court to be distributed as required by this section.

3. Where the court has appointed a referee to preside over the proceedings pursuant to subdivision two of section thirteen hundred sixty-one of the real property actions and proceedings law, it shall not be necessary for such referee to make a report of such proceedings; nor shall it be necessary for the court to confirm by order or otherwise such proceedings.

4. In the case of residential property, if at the time of the confirmation of the report of sale, no former homeowner has filed a

claim for surplus, and there are surplus proceeds that remain to be distributed, the proceeding shall remain open for at least three years from the confirmation of the report of sale, or for such longer period as the court may direct. If a former homeowner should file a claim for surplus during such period, the court shall proceed as if it had been timely filed.

5. At the conclusion of such proceedings, any surplus funds that have not been claimed shall be deemed abandoned but shall be paid to the tax district, not to the state comptroller, and shall be used by the tax district to reduce its tax levy.

6. To the extent the provisions of article thirteen of the real property actions and proceedings law are inconsistent with the provisions of this article, the provisions of this article shall govern.