§ 953. Duties and responsibilities of mortgage investing institutions. 1. Every mortgage investing institution shall make all payments for taxes for which they hold real property tax escrow accounts, in a timely manner.

2. Every mortgage investing institution subject to the provisions of section fourteen-b of the banking law shall pay at least the minimum rate of interest on each real property tax escrow account as prescribed therein except that any such mortgage investing institution shall not be required to pay such minimum rate of interest on real property tax escrow accounts established for non-mortgagors.

3. Every mortgage investing institution shall deposit funds from a real property tax escrow account of a mortgagor in a banking institution whose deposits are insured by a federal agency or a licensed branch of a foreign banking corporation whose deposits are insured by a federal agency. Notwithstanding the foregoing provisions of this subdivision, the superintendent of financial services shall have the power to exempt from the requirements of this subdivision any banking organization which does not receive deposits or share accounts from the general public.

4. No mortgage investing institution shall impose a service charge or any other fee in connection with the maintenance of a real property tax escrow account nor, as provided in section two hundred fifty-four-d of the real property law, shall a fee be imposed for direct payment of real property taxes.

5. A mortgage investing institution may debit a mortgagor's real property tax escrow account for payments of taxes only if actual payment for such taxes is made within twenty-one days after such debit.

6. Every mortgage investing institution shall, at least annually and without charge to the mortgagor, provide to the mortgagor an analysis of the real property tax escrow account of the mortgagor. Such analysis shall contain, for the twelve month period covered by the analysis, at least: (i) interest earned; (ii) the amount of taxes paid from the real property tax escrow account; and (iii) the account balance as of the

beginning of the period the analysis covers and the ending account balance as of a specified date within forty-five days preceding the date of the analysis. In addition, the mortgage investing institution shall, upon request by the mortgagor, provide to the mortgagor without charge the date or dates of the payment of taxes from such real property tax escrow account. The information required by this subdivision may be provided in notices otherwise required by federal or state law, regulation or rule to be sent on at least an annual basis to the mortgagor. The analysis shall also contain the following information in at least eight point bold face type in substantially the following language:

(a) that the mortgage investing institution is obligated to make all payments for taxes for which the real property tax escrow account is maintained and that if any such payments are not timely, the mortgage investing institution is responsible for making such payments including any penalties and interest;

(b) that the mortgagor is obligated to pay one-twelfth of the taxes each month to the mortgage investing institution which is deposited into the real property tax escrow account, unless there is a deficiency or surplus in the account, in which case a greater or lesser amount may be required;

(c) if the mortgage investing institution is subject to the provisions of subdivision three of this section, that the mortgage investing institution must deposit the escrow payments made by the mortgagor in a banking institution or a licensed branch of a foreign banking corporation whose deposits are insured by a federal agency; and

(d) that the mortgage investing institution cannot impose any fees relating to the maintenance of the real property tax escrow account.

6-a. Every mortgage investing institution shall upon the request of a borrower who has been notified of the granting of an exemption pursuant to section four hundred twenty-five of this chapter to review the expected real property tax liability which is assessable against a property which is a one, two or three family dwelling and which is the primary residence of the borrower. In any case, where as the result of the granting of such exemption an overage in the escrow shall exist, the owner shall be entitled to a proportionate reduction in the amount such

mortgage investing institution is authorized to collect and deposit on a monthly basis into an escrow account to insure the payment of real property taxes. This review shall be considered maintenance of a real property tax escrow account.

7. Every mortgage investing institution shall provide written notice to a mortgagor no later than ten business days after the transfer to another mortgage investing institution of the right to receive all payments from the mortgagor, including payments made into the real property tax escrow account, which notice shall include the name, address and telephone number of the mortgage investing institution to which such rights have been transferred. Upon request by the mortgagor, the mortgage investing institution shall advise the mortgagor of the amount of money in such account as of the date of such transfer. Every mortgage investing institution shall remain fully liable to pay any taxes which are due and payable prior to the date of such transfer, and the mortgage investing institution to which such rights have been transferred shall be liable to pay any taxes which are due and payable after the date of such transfer, unless otherwise agreed among the parties to the transfer.

8. Every mortgage investing institution shall, no later than twenty-one days after the final payment of the mortgage loan, where the mortgagor retains ownership of the property, send to the mortgagor a written statement that shall include, but not be limited to the following information: (a) that the real property tax escrow account has been or will be terminated (whichever is applicable); and (b) that unless the mortgagor establishes a new real property tax escrow account with a mortgage investing institution, the mortgagor will be obliged to pay to the appropriate collecting officers taxes becoming due thereafter. The written notice shall also set forth the effective date of the termination and shall provide the name, address and telephone number of each collecting officer or office and advise the mortgagor to contact such officer or office for tax billing information.

8-a. Any mortgage investing institution which does not comply with the provisions of subdivision eight of this section shall be financially

responsible for interest or penalties charged a former mortgagor of such institution by a taxing municipality, county, and/or delinquent tax enforcement agency for non-payment or late payment of real property taxes in the first taxable year following satisfaction of the mortgage held by such institution.

9. Every mortgage investing institution shall, no later than the twenty-fifth day of each month, report to the county director of real property tax services, or the commissioner of finance for property located in the city of New York, on a form prescribed or approved by the commissioner, the creation of a real property tax escrow account, or any change of a tax billing address required by a transfer or termination of a real property tax escrow account pursuant to subdivisions seven and eight of this section, occurring during the prior month with respect to real property located in such county or city, as the case may be. The county director or the commissioner of finance of the city of New York shall thereupon furnish a copy of such report to the person or persons having custody and control of the appropriate assessment roll, tax roll or data file, as defined in section fifteen hundred eighty-one of this chapter, and such person or persons are hereby authorized and directed upon receipt of such report to enter the appropriate tax billing address on such assessment roll, tax roll or data file.