

DRAFT LBDC

A BUDGET BILL submitted by the Governor
in accordance with Article VII of the Constitution

AN ACT to amend the real property actions and proceedings law, in
relation to reverse mortgages (Part);

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

1 PART ____

2 Section 1. Subdivision 6 of section 1304 of the real property actions
3 and proceedings law, as amended by section 6 part Q of chapter 73 of the
4 laws of 2016, is amended to read as follows:

5 6. (a) (1) "Home loan" means a loan, including an open-end credit
6 plan[, other than a reverse mortgage transaction,] in which:

7 (i) The borrower is a natural person;

8 (ii) The debt is incurred by the borrower primarily for personal,
9 family, or household purposes;

10 (iii) The loan is secured by a mortgage or deed of trust on real
11 estate improved by a one to four family dwelling, or a condominium unit,
12 in either case, used or occupied, or intended to be used or occupied
13 wholly or partly, as the home or residence of one or more persons and
14 which is or will be occupied by the borrower as the borrower's principal
15 dwelling; and

16 (iv) The property is located in this state.

17 (2) A home loan shall include a loan secured by a reverse mortgage
18 that meets the requirements of subparagraphs (i) through (iv) of para-
19 graph (1) of this subdivision.

1 (b) "Lender" means a mortgage banker as defined in paragraph (f) of
2 subdivision one of section five hundred ninety of the banking law or an
3 exempt organization as defined in paragraph (e) of subdivision one of
4 section five hundred ninety of the banking law.

5 § 2. This act shall take effect immediately; provided, however, that
6 the amendments to subdivision 6 of section 1304 of the real property
7 actions and proceedings law made by section one of this act shall not
8 affect the expiration of such subdivision and shall be deemed to expire
9 therewith.