

STATE OF NEW YORK

4629

2019-2020 Regular Sessions

IN SENATE

March 18, 2019

Introduced by Sen. BRESLIN -- 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 prohibiting mortgagees from requiring mortgagors of certain real property to purchase flood insurance exceeding certain limits

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

1 Section 1. The real property law is amended by adding a new section
2 283 to read as follows:

3 § 283. Limits to compulsory flood insurance. No mortgagee shall
4 require a mortgagor to whom the mortgagee makes, increases, extends, or
5 renews any loan secured by improved real property to purchase or pay for
6 flood insurance on such property: (1) at a coverage amount that exceeds
7 the outstanding mortgage thereon; (2) that includes coverage for
8 contents; or (3) that includes a deductible less than five thousand
9 dollars. In each instance where a mortgagee requires a mortgagor to
10 purchase or pay for flood insurance on such property, the mortgagee
11 shall provide notice to the mortgagor of the need to purchase or pay for
12 flood insurance that states the following in clear and conspicuous
13 print: 'Please note that the flood insurance we are requiring you to
14 purchase will only protect your creditor/lender's interest in your prop-
15 erty. It may not be sufficient to pay for many needed repairs after a
16 flood and may not compensate you for your losses in the property due to
17 the flood. If you wish to protect your home or investment, you may wish
18 to purchase more flood insurance than the amount we are requiring you to
19 buy.'

20 § 2. This act shall take effect immediately.

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

LBD06962-01-9