



NEW YORK STATE SENATOR

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Senate Meets in Extraordinary Session Legislative Activity for November 16, 2009

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SENATE MEETS IN EXTRAORDINARY SESSION LEGISLATIVE ACTIVITY FOR NOVEMBER 16, 2009

(Albany, NY)- The New York State Senate convened in extraordinary session, passing sweeping reforms that deliver wide-ranging relief for millions of New Yorkers. The legislative package includes increased protections for homeowners and consumers, energy efficiency loans for property owners, and an expansion of health benefits for the uninsured.

Mortgage Foreclosure Bill (S.7/ Klein):

Expanding upon legislation passed by the Senate in 2008, this bill provides additional measures to protect homeowners at risk of foreclosure, and to prevent similar crises from occurring in the future.

- Requires that lenders and mortgage servicers provide a foreclosure notice to all distressed borrowers at least 90 days before any legal action may be commenced.
- Expands the number of borrowers who are eligible to receive the benefit of this settlement conference to holders of all types of home loans for a period of five years. Also requires litigants to negotiate in good faith to try to reach a mutually agreeable resolution.
- A person or entity that acquires title to the property must notify the tenant that he or she can stay in the property for the remainder of the lease term, or a period of 90 days from the mailing of the foreclosure notice (whichever is longer).
- Requires a plaintiff in a mortgage foreclosure action to maintain the property in compliance with certain sections of the NYS Building code or other local housing code. If property is occupied by a tenant, it must remain in safe and habitable condition.
- Precludes and licensees or registrants from accepting up-front fees in connection with performing the business of distressed property consulting. Additionally, this provides a mortgage broker with three days to disclose the exact amount and methodology of total compensation that the broker will receive.

"Since witnessing the early warning signs of the foreclosure crisis in my district nearly two years ago, I've made protecting New York homeowners and their families a top priority. I've exposed shady lenders, held dozens of financial counseling sessions including 'Operation Protect Your Home', a series of forums where lenders renegotiated mortgages and worked tirelessly to ensure properties and neighborhoods are preserved and that renters are protected. Earlier this year, two of my bills passed requiring property maintenance on foreclosed homes and tenant notification if they face foreclosure. This bill will cap off those two bills, helping thousands of New Yorkers get back on their feet, insuring that our communities stay strong and making sure innocent victims of the foreclosure crisis, homeowners and tenants, are given every opportunity to stay in their homes," said Deputy Majority Leader Jeffrey Klein (D-Bronx/Westchester).

Life Settlement Bill (S.9/Breslin):

The legislation regulates the billion dollar life settlement market in New York ensuring greater consumer protection for millions of New Yorkers.

- Protects the medical and financial information of those who enter into a life settlement transaction through the addition of numerous disclosure and consumer protection provisions.
- Requires the owner of the policy and the individual insured under the policy to consent to the release of medical and other personal information.
- Mandates life settlement companies and investors keep personal information received as part of the transaction confidential.
- Outlaws stranger-originated life insurance (STOLI), a type of illegitimate life settlement where companies and investors target individuals, typically senior citizens, to purchase a large face amount life insurance policy for the sole purpose of selling the policy within a very short period of time.

“Regulation of the life settlement industry in New York is long overdue. I was pleased to play a central role in crafting this legislation which contains numerous provisions which will protect consumers who enter into life settlement transactions,” said Senator Neil Breslin (D-Albany), Chair of the Insurance Committee.

Municipal Energy Sustainable Loan Program (S.4-A Thompson):

Taking another significant step toward a cleaner, greener and more energy efficient New York, this bill enables property owners to lower energy costs, reduce greenhouse gas emissions and reduce dependence on fossil fuels.

- Allows municipalities to provide property owners with loans to install renewable energy systems and energy efficiency measures.
- Municipalities would establish loan programs using federal grant assistance or federal credit support.
- Municipalities issue a small municipal bond to provide up-front funding to commercial or residential property owners to finance energy retrofits to their properties .
- The loans would be repaid via assessments on the property owners' annual property tax bills.

"As Chair of the Environmental Conservation Committee, I am happy to see that the Senate is moving forward on this bill. This legislation supports job creation and saving money and is another stepping stone on the way to a greener New York,” said Senator Antoine Thompson (D-parts of Niagara and Erie Counties).

COBRA Amendment (S.6/Breslin):

As health care costs continue to skyrocket and the number of uninsured growing by the day, this amendment to legislation previously passed by the Senate will make thousands of individuals eligible for an extension in their COBRA benefits.

Previously, where a person's existing COBRA benefit expired prior to their former employer's health insurance contract being renewed, the individual would not be eligible for the additional 18 month extension because it is illegal, under the Insurance Law, to alter the terms of an existing contract. This legislation reconciles this issue by allowing individuals whose COBRA benefit expired prior to the health insurance contract being renewed to opt back in and be eligible on a going-forward basis only.

- Those on an existing 18 month COBRA benefit plan as of July 1, 2009 may now receive benefits for 36 months.
- Ensures that a new pre-existing condition trigger does not begin anew, enabling individuals to maintain their coverage.
- Individuals who signed up for other health insurance (for example, Healthy New York) because their COBRA benefit expired and they were deemed ineligible for the extension would still be eligible to opt back in and receive COBRA benefits.

"Unemployed New Yorkers must be assured they will have health insurance coverage while in a transitional period. In an economic climate where so many workers are being laid off or forced to work only part-time, it is more important than ever to alleviate some of the stress felt by families facing unemployment. This bill will make sure that more New Yorkers are eligible for the 18 month COBRA extension," said Senator Breslin.