

COMMUNITY BOARD 1 – MANHATTAN  
RESOLUTION

DATE: JUNE 23, 2020

COMMITTEE OF ORIGIN: EXECUTIVE

COMMITTEE VOTE:	10 In Favor	0 Opposed	0 Abstained	0 Rescued
BOARD VOTE:	47 In Favor	0 Opposed	0 Abstained	0 Rescued

RE: Proposed State Legislation Regarding Commercial Mortgage Forbearance

WHEREAS: NY State Senator Brian Kavanagh has introduced S8454, legislation authorizing commercial mortgage forbearance during the COVID-19 pandemic; and

WHEREAS: Businesses in Manhattan Community District 1 are facing considerable hardship due to the Coronavirus epidemic and the resulting “pause” in the New York City economy; and

WHEREAS: The Manhattan Community Board 1 (CB 1) Small Business Working Group is committed to helping ease the burden and hardship on small businesses during these difficult times; and

WHEREAS: The legislation would add a new section 9-x to the state banking law to require New York regulated institutions to grant 90 days of forbearance to qualified commercial mortgagors who can demonstrate financial hardship during the NY on PAUSE order caused by the COVID-19 pandemic; and

WHEREAS: This bill would allow any mortgagor granted forbearance to defer their payments to a non-interest bearing balloon payment due twelve months after the end of the forbearance period. The bill would also give commercial tenants in buildings receiving forbearance the ability to receive a rental deferral proportional to the tenant's share of the rental income generated by the mortgaged property; and

WHEREAS: There are locally owned and operated financial institutions who work closely with the communities that they serve, and are already engaging in forbearance of their loans; now

THEREFORE  
BE IT  
RESOLVED

THAT: CB believes this legislation should only apply to banks with an asset size of above 1 billion dollars and are not already engaged in commercial forbearance, which would spare community banks an additional and unnecessary compliance burden; and

THEREFORE

BE IT

RESOLVED

THAT: CB 1 urges the New York State Senate to pass S8454 to help businesses facing crisis in CB1; and

BE IT

FURTHER

RESOLVED

THAT: CB 1 urges Governor Cuomo to sign this legislation immediately upon receiving it should it pass the legislature.