

Summary of Part 83 of the General Regulations of the Superintendent, 3 NYCRR (Shared Appreciation Mortgage Modifications)

§83.1 describes the scope and application of Part 83. It notes that Section 6-f of the Banking Law authorizes the Superintendent to adopt rules and regulations relating to shared appreciation mortgages that would permit banks and other financial institutions to make residential mortgage loans that provide for the lender or its assignee (the “Holder”) to receive a share in the appreciation of the market value of the residential property securing the loan.

§83.2 defines certain terms used in Part 83.

§83.3 sets forth the eligibility requirements for a shared appreciation mortgage modification.

§83.4 sets forth the calculation of the mortgagor’s unpaid principal balance.

§83.5 sets forth the circumstances that can lead to a sharing of the appreciation under a shared appreciation mortgage agreement.

§83.6 sets forth the calculation used to determine the Holder’s share of the appreciation.

§83.7 sets forth the disclosures that must be provided to borrowers in connection with shared appreciation mortgage modifications.

§83.8 sets forth language that must be conspicuously placed on every shared appreciation mortgage agreement.

§83.9 requires Holders that offer shared appreciation mortgage modifications to adopt policies and procedures for notifying eligible borrowers of the existence of that option.

§83.10 sets forth fees, charges, and interest rates that may be imposed or used in connection with shared appreciation mortgage modifications.

§83.11 sets forth prohibitions on certain conduct by the Holder in connection with shared appreciation mortgage modifications.