

Summary for the proposed addition of 3 NYCRR 422.

Part Q of Chapter 73 of the Laws of 2016 enacted two new sections to the Real Property Actions and Proceedings Law (“RPAPL”), 1308 and 1310, which impose requirements on certain persons to maintain vacant and abandoned residential real property in New York and to report vacant and abandoned properties to the New York State Department of Financial Services (the “Department”), and authorizes the Department to promulgate regulations to implement the new requirements. The following sections are added as part of the proposed regulation to implement RPAPL Section 1308 and 1310:

Section 422.1, the preamble, explains that the proposed regulation implements RPAPL Sections 1308 and 1310.

Section 422.2, defines common terms used throughout the proposed regulation.

Section 422.3, explains how covered persons are to assess whether they qualify for the exemption provided for in RPAPL Section 1308.

Section 422.4, explains how covered persons are to satisfy the vacant and abandoned property reporting requirements imposed by RPAPL Section 1310.

Section 422.5, sets forth what information covered persons will provide to the Department on a quarterly basis evidencing the satisfaction of the maintenance requirements imposed by RPAPL Section 1308.

Section 422.6, clarifies that the RPAPL Section 1310 reporting requirements apply to mortgagees and mortgage loan servicers for every vacant and abandoned property in New York, but that only one report needs to be filed for each vacant and abandoned property.

Section 422.7, explains how the Department interprets and will apply the language in RPAPL 1308(10) relating to federal law, court orders and investor guidelines.

Section 422.8, states that the information maintained in the vacant and abandoned property database will be maintained confidentially in accordance with the requirements of RPAPL 1310(1), and explains the process that the Department will follow in deciding whether to release information from the database.

Section 422.9, states that the proposed regulation will be enforced in accordance with the provisions of the RPAPL, the Financial Services Law and the Banking Law.

Section 422.10, sets the effective date of the proposed regulation as December 20, 2016.