Executive Order No. 17 Local Government Mandate Evaluation
Impact on Local Government and Property Taxpayers

Submitting Agency: DFS

NYCRR Citation: Part 419 of the General Regulations of the Superintendent, 3 NYCRR.

Description of the Regulation: Part 419 addresses the business practices of mortgage loan servicers and establishes certain consumer protections for homeowners whose residential mortgage loans are being serviced. These regulations provide standards and procedures for servicers to follow in their course of dealings with borrowers, including the handling of borrower complaints and inquiries, payment of taxes and insurance premiums, crediting of borrower payments, provision of annual statements of the borrower’s account, authorized fees, late charges, and handling of loan delinquencies and loss mitigation. Part 419 also identifies practices that are prohibited and imposes certain reporting and record-keeping requirements to enable the Superintendent to determine the servicer’s compliance with applicable laws, its financial condition and the status of its servicing portfolio.

Statutory Authority for the Regulation: Sections 10, 11, 14, and Article 12-D of the Banking Law and Sections 102, 201, 202, 301, and 302 of the Financial Services Law.

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1. Does the regulation impose a mandate on a county, city, town, village, school district or special district that requires such entity to:

   a. Provide or undertake any program, project or activity;
      Yes □ No x

   b. Increase spending for an existing program, project or activity (even if such program, project or activity is voluntarily undertaken by a local government unit);
      Yes □ No x

   c. Grant any new property tax exemption, or broaden the eligibility or increase the value of any existing property tax exemption; or
      Yes □ No x
d. Carry out a legal requirement that would likely have the effect of raising property taxes.

   Yes ☐    No x

If the answer to all questions above are “no,” ensuring the regulation will not result in a mandate on local governments and property taxpayers, an accounting and the approval of the Office for Taxpayer Accountability are not required. If the answer to any question above is “yes,” and the regulation may have a fiscal impact on local governments and property taxpayers, please proceed to items 2 – 3.

2. Is the mandate required by federal law or regulation or state law?

   Yes ☐    No ☐

   a. If yes, please cite the specific provision in the statute or federal regulation.

   b. If yes, please describe any elements of the regulation not specifically mandated by the statute or regulation. None.

3. If any portion of the mandate is not required by federal or state law, please attach to this Checklist an Accounting for such portion containing:*

   ☐ a. A description of the mandate in the regulation;

   ☐ b. An accounting of the impacts of such mandate that includes:

      (i) A fiscal impact statement;

      (ii) A cost-benefit analysis, which includes:

         (x) a specific delineation of the costs and benefits to local governments and property taxpayers; and

         (y) a quantification of the impact on local government revenue and expenditures, where such impact is quantifiable based on available information (please consult with the Governor’s Office of Regulatory Reform if further guidance is needed);

   ☐ c. A description of input sought and received from affected local governments;
d. A description of the proposed revenue sources to fund such mandate; and

e. An explanation as to why this regulation should be advanced with a mandate.

*Note: The “Regulatory and Flexibility Analysis for Small Businesses and Local Governments” may be attached so long as the items set forth in 3 above are fully accounted for in the Analysis.

4. To be answered by the Deputy Secretary and Governor’s Counsel:

Is the cost impact of the mandate negligible?

Deputy Secretary: (name)

Yes ☐ No ☐

Governor’s Counsel: (name)

Yes ☐ No ☐