

STATE OF NEW YORK

2056

2025-2026 Regular Sessions

IN ASSEMBLY

January 14, 2025

Introduced by M. of A. HUNTER -- read once and referred to the Committee on Judiciary

AN ACT to amend the real property law, in relation to prohibiting mortgagees from requiring mortgagors of certain real property to purchase flood insurance exceeding certain limits; and to amend a chapter of the laws of 2024 amending the real property law relating to prohibiting mortgagees from requiring mortgagors of certain real property to purchase flood insurance exceeding certain limits, as proposed in legislative bills numbers S. 7125-A and A. 5073-A, in relation to the effectiveness thereof

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Section 283 of the real property law, as added by a chapter

2 of the laws of 2024 amending the real property
law relating to prohibit-
3 ing mortgagees from requiring mortgagors of
certain real property to
4 purchase flood insurance exceeding certain
limits, as proposed in legis-
5 lative bills numbers S. 7125-A and A. 5073-A, is
amended to read as
6 follows:
7 § 283. Limits on amount of flood insurance
required by mortgagee. No
8 mortgagee shall require a mortgagor to whom
the mortgagee makes,
9 increases, extends, or renews any loan or
line of credit secured by
10 improved residential real property to purchase or
pay for flood insur-
11 ance on such residential real property: (1) at
a coverage amount that
12 exceeds the lesser of the replacement value of
the residential real
13 property or the outstanding principal mortgage
balance as of the begin-
14 ning of the year for which the policy shall be in
effect; or (2) that
15 includes coverage for contents. In each
instance where a mortgagee
16 requires a mortgagor to purchase or pay for
flood insurance on such
17 residential real property, the mortgagee
shall provide notice to the
18 mortgagor at the time the mortgagee is notified
of the need to purchase
19 or pay for flood insurance that states the
following in clear and

EXPLANATION--Matter in italics (underscored) is
new; matter in brackets

[-] is old law to be
omitted.

1 conspicuous print: [~~'Please note that the~~] 'The
flood insurance we are
2 requiring you to purchase [~~will only protect~~
~~your creditor or lender's~~
3 ~~interest in your property. The insurance~~] may not
be sufficient to pay
4 for many needed repairs after a flood and may
not compensate you for
5 your losses in the property due to the flood. If
you wish to protect
6 your home or investment, you may wish to
purchase more flood insurance
7 than the amount we are requiring you to buy.'

8 § 2. Section 2 of a chapter of the laws of
2024 amending the real
9 property law relating to prohibiting mortgagees
from requiring mortga-
10 gors of certain real property to purchase
flood insurance exceeding
11 certain limits, as proposed in legislative
bills numbers S. 7125-A and
12 A. 5073-A, is amended to read as follows:
13 § 2. This act shall take effect [~~immediately~~]
on the ninetieth day
14 after it shall have become a law.

15 § 3. This act shall take effect immediately;
provided, however, that
16 section one of this act shall take effect on the
same date and in the
17 same manner as a chapter of the laws of 2024
amending the real property
18 law relating to prohibiting mortgagees from
requiring mortgagors of
19 certain real property to purchase flood
insurance exceeding certain
20 limits, as proposed in legislative bills
numbers S. 7125-A and A.
21 5073-A, takes effect.