

STATE OF NEW YORK

2670

2025-2026 Regular Sessions

IN SENATE

January 22, 2025

Introduced by Sen. HOYLMAN-SIGAL -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

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.

LBD02840-02-5

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.