

Monday, July 27, 2020

To: New York Community Banks

To all NYS Community Banks:

Hope everyone is safe and in good health. IBANYS will be distributing a few updates today on a number of important issues related to PPP and NYS legislation. Also, IBANYS is sending a bank inquiry by end of day. Please take the time to respond.

Regards,

John

- **Residential Mortgage Forbearance Law:** DFS has created a “Frequently Asked Questions” document (attached) on forbearance for residential mortgages held in portfolio by NYS chartered banks. I would like to thank DFS and their team for providing guidance thru this document.
- **ALERT - SBA OIG investigations on PPP loans:** To all banks who have participated in providing PPP loans to small businesses. The SBA has been investigating PPP loans and contacting the banks via email. After some research by another state association, the request *via email* from SBA OIG was legitimate. This is just an alert in case your bank has been contacted. Below is a copy of the email I received.

"One of my banks reported to me that they were contacted by SBA OIG requesting the loan file for a PPP loan of about \$78,000. They were suspicious as this request was made by email. Turns out it is legit. I placed a call to the OIG seeking more information if this is part of a broader data collection. Waiting to hear back."

- **Last week the New York State Legislature passed a number of bills that have been sent to Governor Cuomo for action. Below is a summary of that legislation.**

A3275B	<p>Epstein -- Directs the department of financial services to study and make recommendations concerning lending practices to landlords acquiring property that includes small business and/or rent-regulated tenants Same as S 1476-B HOYLMAN SUMM : Directs the department of financial services to study, evaluate and make recommendations concerning lending practices by financial institutions to landlords acquiring property that includes small business and/or rent-regulated tenants; requires a report on the department's findings and recommendations for legislative action within eighteen months. Significant Act: 07/22/20 Passed Both Houses Same-As S 1476B Significant Act: 07/22/20 Substituted By A3275B - 07/22/20 Passed Both Houses</p>
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A6070A	<p>Seawright -- Directs the department of financial services and the department of state's consumer protection division to conduct a study on consumer awareness and financial education in New York state Same as S 8721 COMRIE</p> <p>SUMM : Directs the New York state department of financial services and the New York state department of state's consumer protection division to conduct a study on consumer awareness and financial education in New York state and to make recommendations for a consumer awareness and financial education program.</p> <p>Significant Act: 07/23/20 Passed Both Houses</p> <p>Same-As S 8721 Significant Act: 07/23/20 Substituted By A6070A - 07/23/20 Passed Both Houses</p>
A6370	<p>Williams -- Expands the definition of "tenant" for the purposes of required notice during a mortgage foreclosure action Same as S 5357 COMRIE</p> <p>SUMM : Amd §1305, RPAP L Expands the definition of "tenant" for the purposes of required notice during a mortgage foreclosure action.</p> <p>Significant Act: 07/21/20 Passed Both Houses</p> <p>Same-As S 5357 Significant Act: 07/21/20 Substituted By A6370 - 07/21/20 Passed Both Houses</p>
S2328A	<p>KAVANAGH -- Enables employees to receive electronic confirmation in lieu of paper pay stubs Same as A 4867-A Rozic</p> <p>SUMM : Amd §200, St Fin L Enables employees to receive electronic confirmation of the information that would otherwise be included in a pay stub; authorizes rules and regulations by the comptroller for electronic confirmation system; requires notification of such system in each employee's paper pay stub.</p> <p>Significant Act: 07/21/20 Passed Both Houses</p> <p>Same-As A 4867A Significant Act: 07/21/20 Substituted By S2328A - 07/21/20 Passed Both Houses</p>
S4188	<p>KENNEDY -- Requires financial institutions to notify a customer prior to charging a fee based on account inactivity Same as A 9140 Abinanti</p> <p>SUMM : Add §9-x, Bank L Requires financial institutions to notify a customer thirty days prior to charging a fee based on account inactivity; requires such notice to include a telephone number and the full contact information of a representative of the financial institution responsible for resolving any matter relating to the fee.</p> <p>Significant Act: 07/21/20 Passed Both Houses</p> <p>Same-As A 9140 Significant Act: 03/04/20 Substituted By S4188 - 07/21/20 Passed Both Houses</p>
S4190	<p>KENNEDY -- Relates to including the name and telephone number of the mortgage servicer for a plaintiff in a mortgage foreclosure action on certain documents pertaining to such action Same as A 6976 Wallace</p> <p>SUMM : Amd §§1321 & 1351, RPAP L; amd R6511, CPLR Relates to including the name and telephone number of the mortgage servicer for a plaintiff in a mortgage foreclosure action involving a one- to</p>

	<p>four-family residential property on certain documents pertaining to such action. Significant Act: 07/21/20 Passed Both Houses Same-As A 6976 Significant Act: 07/21/20 Substituted By S4190 - 07/21/20 Passed Both Houses</p>
S4408	<p>GOUNARDES -- Requires lenders foreclosing upon home equity conversion reverse mortgages to provide notice to the department of financial services and the mortgagors Same as A 5627 Weinstein SUMM : Add §280-d, RP L Requires an authorized lender which seeks to foreclose upon a reverse mortgage issued under the federal home equity conversion mortgage program to provide notice thereof to the department of financial services and to the mortgagor; directs such department to provide notice to the mortgagor of legal service organizations which may assist them with the default or foreclosure; prohibits authorized lenders from making advance payment of debts upon the mortgaged real property. Significant Act: 07/22/20 Passed Both Houses Same-As A 5627 Significant Act: 07/21/20 Substituted By S4408 - 07/22/20 Passed Both Houses</p>
S5470B	<p>THOMAS -- Requires certain providers that extend specific terms of commercial financing to a recipient to disclose certain information about the offer to the recipient Same as A 10118-A Zebrowski SUMM : Add Art 8 §§801 - 812, Fin Serv L Requires certain providers that extend specific terms of commercial financing to a recipient to disclose certain information about the offer to the recipient, including information concerning the financing amount, finance charges, the annual percentage rate, the total repayment amount, the term, payment amounts, other potential fees, any prepayment costs and a description of any collateral requirements. Significant Act: 07/23/20 Passed Both Houses Same-As A10118A Significant Act: 07/23/20 Substituted By S5470B - 07/23/20 Passed Both Houses</p>

Note: The Legislature is scheduled to reconvene in three weeks, and we expect legislation addressing retail space mortgage and investment property mortgage forbearance will be on the agenda.

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IBANYS will continue to provide updates as additional information becomes available. Thank you all for your continued participation and support.

- John J. Witkowski, President & CEO (Johnw@ibanys.net; 716.880.0518)
- Stephen W. Rice, Director, Communications & Government Relations (Steve@ibanys.net)