

2011 STATE LEGISLATIVE TRACKING CHART – REVERSE MORTGAGES
NRMLA¹

STATE	BILL	SUMMARY	BILL HISTORY
MASSACHUSETTS	Rule Making on Chapter 258	<p>The Massachusetts Division of Banks will issue regulations implementing the reverse mortgage provisions of Chapter 258: An Act Relative to Mortgage Foreclosures (Chapter 258), which was signed into law August 8, 2010. The Division is currently seeking comments, which must be submitted by 5 p.m. on Friday, Feb. 4, 2011.</p> <p>Chapter 258 includes the extended 150-day right-to-cure after default on mortgage loans and additional consumer protections for reverse mortgages. Chapter 258 addresses the governance of reverse mortgages for borrowers over 60 years of age. Chapter 258 and other federal Massachusetts reverse mortgage statutes and regulations address the eligibility, procedures, disclosures and counseling requirements for a reverse mortgage program.</p> <p>The reverse mortgage regulations will focus on opt-in and counseling certification requirements.</p>	01/13/2011: Division seeks comments and establishes a hearing schedule and comment deadline, prior to proposing rules implementing Chapter 258.

¹ This Chart was updated on January 18, 2011 by Weiner Brodsky Sidman Kider PC solely for use by NRMLA and may not be relied upon by others. This Chart summarizes 2010/2011 state legislative items through and up to January 18, 2011 directly affecting reverse mortgages, is for informational purposes only, and is not intended as formal legal advice. This Chart is based upon compilations available to us as reported in fee-based electronic databases. While we relied upon such databases in the preparation of this Chart, we cannot assure that such databases produce timely or accurate information. Further, we have not undertaken to engage nor did we confer with locally licensed counsel or governmental relations specialists in any of the jurisdictions discussed in this Chart, nor have we consulted with state legislative staff in all such jurisdictions. Such consultations, if undertaken, may reveal additional information not reflected in this Chart.

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NEW JERSEY	A787	A787 establishes the New Jersey Senior Citizen Taxpayer Reverse Mortgage Program. The bill would establish a program for the granting of reverse mortgages for the purpose of payment of property taxes by senior citizens through the equity in their homes.	01/12/10: Introduced; Referred to Assembly Housing and Local Government Committee. Session ongoing. [Carryover to 2011 expected.]
NEW YORK	A39 (same as S319)	A39 establishes a New York state senior housing opportunities partnership authority.	12/16/10: Prefiled. 01/05/11: Referred to Assembly Committee on Aging.
	S319 (same as A39)	S319 establishes a New York state senior housing opportunities partnership authority.	12/14/10: Prefiled. 01/05/11: Referred to Senate Committee on Aging.

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NEW YORK (CONT'D)	S639	<p>S639 establishes a reverse mortgage loan program within the state of New York mortgage agency to enable low income elderly homeowners to stay at home and pay for their long-term care. Under the bill, “reverse mortgage loan” is defined as “a loan for a term of years to be determined by the agency, in which the loan proceeds are advanced to a borrower in equal, monthly installments and may include an initial, one-time lump sum payment of up to five thousand dollars.” “Low income” is defined as income that does not exceed the income limits established by the agency. Among other terms and conditions, loans shall not be issued for more than eighty percent of the value of the borrower’s home, with minimum and maximum loan amounts to be determined by the agency on a case by case basis. In order to be eligible for the program, the applicant must be an individual age sixty-five or older, be the owner and occupant of a single family dwelling or condominium, who has lost some or all of the capacity to function on his or her own due to a chronic illness or condition, and who, based upon an assessment performed by an area agency on aging, requires or is expected to require one or more of specified services for an extended period of time of six consecutive months or more.</p>	<p>12/28/10: Prefiled. 01/05/11: Referred to Senate Committee on Corporations, Authorities and Commissions.</p>

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STATE	BILL	SUMMARY	BILL HISTORY
NEW YORK (CONT'D)	S1078	An Act amending the real property law to specify, with respect to reverse mortgage loans for persons sixty years of age or older, that an authorized lender, at its option, may receive no more than twenty percent of the future appreciation of the property securing the reverse mortgage loan as full or partial consideration for making the reverse mortgage loan. Such future appreciation shall be limited by such rules and regulations as the banking board may adopt or the authorized lender may charge a fixed rate of interest on the outstanding balance of monies advanced under the reverse mortgage agreement or any combination thereof. Any such appreciation shall not be considered interest for the purposes of any law regulating the maximum rate of interest which may be charged, taken or received.	01/05/2011: Introduced; referred to Senate Committee on Finance.

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STATE	BILL	SUMMARY	BILL HISTORY
NEW YORK (CONT'D)	A1597	AN ACT enacting the "foreclosure diversion act of 2011"; to amend the real property actions and proceedings law, in relation to giving notice to mortgagors of the availability of foreclosure prevention counseling; to amend the banking law and the civil practice law and rules, in relation to settlement conferences; to amend the real property actions and proceedings law, in relation to availability of a settlement conference in pending foreclosure actions; to amend the real property actions and proceedings law, in relation to providing a one-year postponement on foreclosures; to amend the judiciary law, in relation to the assignment of foreclosure actions; to repeal certain provisions of the civil practice law and rules relating thereto; and providing for the repeal of such provisions upon expiration. "Home loan" is defined to exclude reverse mortgage transactions.	01/11/2011: Introduced; referred to Assembly Committee on Banks.

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STATE	BILL	SUMMARY	BILL HISTORY
NEW YORK (CONT'D)	S1743	<p>An Act to amend the real property law, in relation to reverse mortgage loans.</p> <p>The bill provides for reverse mortgage loans on cooperative apartments under sections 280 and 280-a of the real property law; changes section 280 of the real property law to address reverse mortgage loans for persons sixty-two years of age or older, instead of sixty years old; removes the definitions “term reverse mortgage loan” and “tenure reverse mortgage loan” from section 280 of the real property law and instead defines “reverse mortgage maturity” as “a reverse mortgage matures solely upon contingent events, such as events including but not limited to death of the surviving borrower or the real property securing the loan no longer being the borrowers’ principal residence”; removes the requirement that a lender provide a schedule of payments to a borrower in connection with loan other than a tenure reverse mortgage loan; removes provisions permitting the refinancing or extension of a term reverse mortgage loan at the end of its term.</p>	01/12/2011: Introduced; referred to Senate Committee on Aging.

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STATE	BILL	SUMMARY	BILL HISTORY
NEW YORK (CONT'D)	S2185	<p>Establishes the New York state compact for long term care; requires federal financial participation; requires that the state provide assurance of quality of services in designing the waiver; outlines participation in such compact and pledge amounts; authorizes the waiver of all or part of the participation fee and the requirement that a beneficiary pay the difference between the compact rate and the compact subsidy if the beneficiary's countable income, after deductions of these items is less than certain protected income amounts; describes fraudulent practices.</p> <p>With respect to the treatment of assets, which are taken into account in determining the pledge amount required of a participant, the bill states that the value of any debts, including reverse mortgages, shall be deducted when calculating the total value of countable assets. In addition, the amount received from a reverse mortgage shall not be considered as income or assets, if expended within thirty days of the time in which received. An amount from a reverse mortgage that is held for longer than such thirty day period shall be considered as countable income, unless used for the purchase of long term care services as defined by the compact.</p>	01/18/2011: Introduced; referred to Senate Committee on Aging.

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STATE	BILL	SUMMARY	BILL HISTORY
NEW YORK (CONT'D)	A2277	<p>Exempts veteran disability payments from inclusion as income of persons sixty-five years of age or over to determine eligibility for a real property tax exemption.</p> <p>In relevant part, the bill states that income shall not include the proceeds of a reverse mortgage, as authorized by section six-h of the banking law, and sections two hundred eighty and two hundred eighty-a of the real property law; provided, however, that monies used to repay a reverse mortgage may not be deducted from income, and provided additionally that any interest or dividends realized from the investment of reverse mortgage proceeds shall be considered income.</p>	01/14/2011: Introduced; referred to Assembly Committee on Veterans' Affairs.

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STATE	BILL	SUMMARY	BILL HISTORY
WEST VIRGINIA	SB 47	<p>An act amending and reenacting certain provisions relating to mortgage license provisional approval; disclosure of fees in a mortgage loan; and administrative hearing, appeal and scheduling procedures.</p> <p>In relevant part, the bill maintains the provision which states that the prohibition against “mak[ing] or assist[ing] in making any primary or subordinate mortgage loan with the intent that the loan will not be repaid and that the lender will obtain title to the property through foreclosure” does not apply to reverse mortgages obtained under the provisions of article twenty-four, chapter forty-seven, West Virginia Code. In addition, the bill amends the prohibition against “requir[ing] terms of repayment which do not result in continuous monthly reduction of the original principal amount of the loan” to expressly state that such prohibition does not apply to reverse mortgage loans obtained under article twenty-four, chapter forty-seven, West Virginia Code.</p>	01/12/2011: Introduced; to Senate Banking and Insurance.