



Legislation Text

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Int. No. 307-A

By Council Members Dilan, Reed, The Speaker (Council Member Miller), Clarke, Fidler, Gerson, Koppell, Lopez, McMahon, Nelson, Quinn, Weprin, Gentile, Jackson, Liu, Recchia Jr., James and Gennaro

A Local Law to amend the administrative code of the city of New York, in relation to home improvement contractors.

Be it enacted by the Council as follows:

Section One. Subdivision 4 of section 20-393 of the administrative code of the city of New York, as added by local law number 24 for the year 1996, is amended to read as follows:

4. Acting as an agent for any owner or any finance or mortgage company to arrange for or to obtain an extension of credit which is used to pay for an owner's obligations under a home improvement contract, unless the instrument evidencing such owner's indebtedness complies with subdivision b of section 433.2 of title sixteen of the code of federal regulations and the licensee complies with section 771-a of the general business law;

§2. Subdivisions 17 and 18 of section 20-393 of the administrative code of the city of New York are REPEALED.

§3. Section 20-393 of the administrative code of the city of New York is amended by adding new subdivisions 17 and 18 to read as follows:

17. Notwithstanding any other provisions of this section, no person licensed under this subchapter shall, in connection with any home repair or home improvement, act as an agent for, or advertise, promote or arrange for the services of a lender or its affiliate to secure a home loan or a home improvement loan for or on behalf of an owner.

18. No contractor shall receive payment from the proceeds of a home improvement loan except by an instrument payable solely to the borrower or at the election of the borrower, through a third party escrow agent in accordance with terms established in a written agreement signed by the borrower, the lender and the contractor prior to disbursement.

§4. This local law shall take effect ninety days after it shall have become a law.

T.S.F.
06.10.05