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Int. No. 494

By Council Members Lander, Comrie, Fidler, Vann, Williams, Brewer, Cabrera, Chin, Dickens, Dromm, Gentile, James, Jackson, Mark-Viverito, Mendez, Rose, Rivera, Ferreras, Gonzalez, Van Bramer, Wills, Eugene, Levin, Rodriguez, Vacca, Palma, Nelson, Halloran and Koo.

A Local Law to amend the administrative code of the city of New York, in relation to requiring the posting of a bond to ensure compliance with building and maintenance requirements by holders of mortgages commencing foreclosure actions.

Be it enacted by the Council as follows:

Section 1. Article 2 of subchapter 4 of chapter 2 of title 27 of the administrative code of the city of New York, is amended by adding a new section 27-2109.1 to read as follows:

§27-2109.1 **Compliance bond to be posted by foreclosing mortgagees**. Any mortgagee that commences an action or has commenced an action in a court of competent jurisdiction in the state of New York to foreclose upon a mortgage on real property located within the city of New York shall at such mortgagee's expense, procure and maintain until either the issuance of a judgment in such foreclosure or discontinuance or dismissal of such foreclosure action, a compliance bond. The commissioner shall by rule establish the formula to determine the amount of such compliance bond based on a percentage of the assessed valuation of such real property, except that such bond shall not be in an amount less then ten thousand dollars. Such compliance bond shall be used to reimburse the department with respect to repairs made in accordance with section 27-2125 of the administrative code and any fines or civil penalties imposed as a result of violations issued with respect to such property by the department or any other city agency during the pendency of the foreclosure. Proof of such compliance bond shall be submitted to the department in accordance with the rules of the department.

§2. This local law shall take effect one hundred twenty days after its enactment.

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