



New York Launches Education Initiative and Issues Additional Guidance Regarding “Zombie Property” Obligations

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As we have previously reported in earlier editions of *Hudson Cook Insights*, New York has adopted sweeping changes to its Real Property and Procedures Law and accompanying regulations that address, among other things, the inspection, securing, and maintaining of vacant and abandoned residential real property. In late September, the Department of Financial Services (DFS) announced the commencement of a state-wide series of informational sessions for local government officials regarding the requirements of these laws. The goal of this outreach initiative is to provide local officials with further information on the law so that they may better inform and support their constituents with its requirements.

Concurrent with the launch of these informational sessions, the DFS also published additional guidance to remind mortgage note holders and servicers of their obligations under the law. The guidance succinctly reminds these parties that the law imposes four basic obligations:

- To inspect (every 25 to 35 days) properties associated with a loan that is 90 days or more delinquent to determine whether the property is considered “vacant and abandoned” under the law;
- To register such properties with the DFS;
- To secure and maintain such properties as the law requires; and
- To report (quarterly) the dates on which the properties associated with a delinquent loan are inspected and, if they are deemed vacant and abandoned, provide a general overview of the maintenance work performed on such property during the prior quarter.

The guidance also reminds parties that when maintaining a property deemed to be vacant and abandoned that they must:

- Secure any boarded windows or doors should they become loose;
- Ensure that grass is not allowed to grow to a length greater than 10 inches and that garbage and yard waste must be cleared from the property and not stored there;
- Secure handrails on decks and stairways;
- Ensure that property addresses are clearly displayed and visible from the street; and
- Ensure that the notice that identifies the servicer and its contact information is periodically checked to make sure it remains legible.

While the guidance does not impose any new obligations, it does provide a helpful and well organized summary of what is required under the law that should help parties with their compliance efforts. The checklist included as Appendix A to the document is particularly helpful in summarizing specific property maintenance requirements under the law.

Information regarding the education initiative as well as the guidance are available on the DFS website and may be accessed [here](#).

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