



NEW YORK STATE SENATOR

Velmanette Montgomery

## **Governor Cuomo Signs Montgomery / Weinstein “Deed Theft Bill” Into Law**

[Velmanette Montgomery](#)

August 19, 2019

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August 19, 2019

**Governor Cuomo Signs  
Montgomery/Weinstein “Deed Theft Bill” Into Law**

Governor Cuomo signed the "Deed Theft Bill" (S1688 – Montgomery/A5615 – Weinstein) into law. This legislation provides greater protections for owners of homes that are in default or foreclosure. It also strengthens laws regulating distressed property "consultants" who provide services to prevent property loss. It will go into effect immediately.

Fraudulent companies target seniors, homeowners struggling financially, and for whom English is not their first language. They often offer unsolicited assistance with foreclosure or modifications, sometimes claiming that the victim's home is already up for auction. They are sophisticated operators who take advantage of loopholes in the law by associating themselves with law firms that allow them to avoid legal repercussions.

The "Deed Theft Bill" addresses these issues by:

- Prohibiting abusive and deceptive behaviors such as pretending to be law enforcement or government representatives, taking temporary ownership of a deed, or engaging in harassment of the homeowner or the homeowner's family
- Eliminating the requirement that a homeowner post a bond in order to file a lawsuit to stop a deed transfer.
- Prohibiting loan modification consultants from requiring upfront fees for services.
- Extending the amount of time a homeowner has to rescind transactions with distressed property consultants from 5 days to 14 days.
- Providing a clear legal path to restore the title of a property when there has been a criminal conviction based on fraudulent actions concerning a property transfer.

"Passing the Deed Theft Bill is a major step forward in addressing one of the most pressing issues among homeowners, especially in communities of color. Thieves target our most vulnerable homeowners and snatch generations of wealth from our families. For every one that thinks to call their elected officials or speak out, a dozen more do not know where to turn," said State Senator Velmanette Montgomery. I thank the Governor for signing this legislation. It will have a tremendous impact on homeowners in my district and throughout New York State."

“The bill has a simple point. A District Attorney can bring an action and find fraud, but there's not been a way to get the homeowner's home back. This allows the DA to get into court and have the illegal deed thrown out, and have the house restored to the owner. As it stands now there's no simple way to get it back,” said Assemblymember Helene Weinstein. While it's clearly good to lock somebody up, this voids the illegal transfer and allows the owner to get their home back.”

New York State Attorney General Letitia James has indicated that her office receives more deed theft complaints from Brooklyn than the four other boroughs combined and deed fraud scams disproportionately impact homeowners of color. They are highly concentrated in the rapidly gentrifying areas of Bedford Stuyvesant, Crown Heights, Flatbush and Brownsville. “People work hard to achieve a vital piece of the American Dream, but that dream can quickly turn into a nightmare when that home is stolen out from under them,” said Attorney General James. “Deed theft has become a common tool used by scammers to illegally obtain real estate in prominent housing markets like Brooklyn, greatly harming senior citizens and destabilizing communities. I thank Senator Montgomery, Assemblymember Weinstein, and Governor Cuomo for their support, advancement, and enactment of this important law.”

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**related legislation**

## **2019-S1688**

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- Introduced
- - In Committee Assembly
  - In Committee Senate
- - On Floor Calendar Assembly
  - On Floor Calendar Senate
- - Passed Assembly
  - Passed Senate
- Delivered to Governor
- Signed By Governor
- 

[Provides for the regulation of distressed home loans](#)

January 15, 2019

Senate Floor Calendar

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Do you support this bill?