



**THE COUNCIL OF THE CITY OF NEW YORK
FINANCE DIVISION
PRESTON NIBLACK, DIRECTOR
FISCAL IMPACT STATEMENT**

PROPOSED INTRO. NO: 1070-A

COMMITTEE: Consumer Affairs

TITLE: To amend the administrative code of the city of New York, in relation to distressed property consultants.

Sponsor: By Council Members Sanders Jr., Comrie, Gerson, Nelson and White.

SUMMARY OF LEGISLATION: This legislation would require every distressed property consultant who does business in New York City and who advertises distressed property consulting services in newspapers, magazines, pamphlets, etc. to be prohibited from performing services without a written fully executed contract with homeowners; accepting payment for consulting services until completion of services; taking power of attorney from a homeowner; or retaining any original loan document or other original document related to the distressed home loan, the property, or the potential loss of the home for nonpayment of taxes. This legislation would also require distressed property consultants to disclose in writing that hiring a distressed property consultant does not stop the foreclosure process, nor can a distressed property consultant guarantee any particular result with regards to a distressed property. Notwithstanding any other provision of law, the department would be authorized upon due notice and hearing, to impose civil penalties for the violation of any provision of this legislation. The department would have the power to render decisions and orders and to impose civil penalties of not less than two thousand five hundred dollars nor more than five thousand dollars for each violation.

EFFECTIVE DATE: This local law would take effect 90 days after its enactment into law; provided, however, that the commissioner of consumer affairs would take any actions necessary prior to such effective date for the implementation of this local law including, but not limited to, the adoption of any necessary rules.

FISCAL YEAR IN WHICH FULL FISCAL IMPACT ANTICIPATED: Fiscal 2010

FISCAL IMPACT STATEMENT:

	Effective FY10	FY Succeeding Effective FY11	Full Fiscal Impact FY10
Revenues (+)	\$0	\$0	\$0
Expenditures (-)	\$0	\$0	\$0
Net	\$0	\$0	\$0

IMPACT ON REVENUES: There is a potential increase in revenue through the enforcement of this legislation, but we are unable to estimate it at this time.

IMPACT ON EXPENDITURES: There would be no impact on expenditures resulting from the enactment of this legislation.

SOURCE OF FUNDS TO COVER ESTIMATED COSTS: General Fund

SOURCE OF INFORMATION: City Council Finance Division

ESTIMATE PREPARED BY: Jonathan Rosenberg, Deputy Director
Walter Pitts, Legislative Financial Analyst

HISTORY: Introduced as Int. 1070 by Council and referred to the Consumer Affairs Committee on August 20, 2009. On October 6, 2009, the Committee held a hearing and Int. 1070 was laid over. An amendment has been proposed, and the bill will be considered by Committee as Proposed Int. 1070-A on October 27, 2009.