



NEW YORK STATE SENATOR

Brian Kavanaugh

Governor Hochul Signs Legislation to Protect New York Homeowners From Deed Theft

BRIAN KAVANAGH November 14, 2023

| ISSUE: **DEED THEFT**



Governor Hochul Signs Deed Theft Legislation

Legislation S.6577/A.6656 Enhances Deed Theft Protections for New Yorkers by Empowering the Attorney General and Local District Attorneys Investigating or Litigating Deed Theft to Pause Related Eviction and Ownership Dispute Proceedings and Expanding the List of Crimes that Allow Prosecutors to Invalidate Fraudulent Sale and Loan Documents, Among Other Measures

Governor Kathy Hochul signed legislation to protect New Yorkers from deed theft, a practice in which property owners are defrauded out of the property titles to their homes. Legislation S.6577/A.6656 enhances deed theft protections by empowering the Attorney General and local District Attorneys investigating or litigating deed theft to pause related eviction and ownership dispute proceedings and expanding the list of crimes that allow prosecutors to invalidate fraudulent sale and loan documents, among other measures. Governor Hochul signed the legislation today in Brooklyn alongside the Attorney General, members of the Legislature, legal services advocates and victims of deed theft.

“This legislation is New York’s strongest tool yet to crack down on illegal deed theft and put the American Dream back in the hands of thousands of New York homeowners,” **Governor Hochul said.** “Deed theft cheats hardworking New Yorkers out of the opportunity to own and keep their homes and forces families out of their communities – particularly in Black and Brown neighborhoods. With the protections enshrined in this legislation, however, we are empowering homeowners and law enforcement to fight back against deed theft and keeping families, homes, and communities intact. I thank Attorney General James and the bill sponsors for their partnership in our mission to protect New York homeowners and for joining my administration’s continued effort to stop fraud, forgery, and abuse.”

New York Attorney General Letitia James said, “Deed theft robs New Yorkers, especially older adults and people of color, of the generational wealth built through owning their homes. The perpetrators of deed theft force their victims to endure humiliating and terrifying situations, often evicting families from their homes. That is why I drafted and advanced legislation to address this problem and empower New Yorkers, and have used my office to go after deed theft perpetrators and raise awareness about this crime. I thank Senator Kavanagh and Assemblymember Weinstein for sponsoring this bill, and I commend Governor Hochul for signing it into law. The reforms made through this new law will help protect New Yorkers

and better enable them to combat those who try and steal their deeds, their wealth, and their American Dream.”

Deed theft occurs when someone takes the title to someone’s home without the homeowner’s knowledge or approval, most commonly through forgery, when a scammer fakes a homeowner’s signature on a deed and files it with the county clerk, or fraud, when a homeowner unwittingly signs the deed over to a scammer. According to the New York City Sheriff’s Office, there have been at least 3,500 deed theft complaints filed in New York City in the past ten years.

Legislation S.6577/A.6656 establishes several new measures to enhance deed theft protections for New Yorkers. The legislation empowers the Attorney General, local District Attorneys, and other law enforcement investigating deed theft to move to stay any legal proceeding where possession or title to a property is at issue – such as foreclosures, evictions, and ownership disputes – and requires courts to grant the stay if investigations are ongoing or the government has initiated civil or criminal actions. Upon finding probable cause or filing criminal charges, the Attorney General and District Attorneys now may file a notice of pendency as a "red flag" to make buyers and lenders aware of title issues to help stop further transactions from happening.

The legislation also expands the ability of prosecutors to move to void fraudulent instruments affecting ownership of and interests in property by adding to the list of crimes that can be the basis for voiding the instruments and, for the first time, allowing the Attorney General to do so in addition to district attorneys.

In addition, unless a defendant can prove otherwise, the legislation creates a legal presumption that a deed transfer was fraudulent in civil disputes over ownership when a party to the transfer has been convicted of deed theft or related fraud with respect to that

property, which helps victims of deed theft fighting to maintain their ownership rights in civil court. It also establishes that a buyer or lender had notice of fraud if they actually knew or should have known fraud occurred, which can help victims challenge transfers as invalid when the buyers or lenders should have been aware of the fraud.

The legislation also extends the protections of the State's Home Equity Theft Prevention Act, which governs the sale of homes that are in foreclosure or in default, to allow homeowners the ability to cancel any contract to sell their property if they are on a utility lien list.

State Senator Brian Kavanagh said, "This legislation addresses many of the shortcomings in our laws that have allowed the outrageous crime of deed theft to occur all too frequently, and that prevented these cases from being resolved in a just manner. Its enactment today is an important victory for many New Yorkers who have been robbed of their homes and whose communities have been targeted, and for those at risk of suffering a similar fate. I thank my legislative colleagues for their work helping to craft and pass this bill, especially Assembly sponsor Helene Weinstein and Senator Zellnor Myrie. Thanks also to Attorney General Letitia James for putting her own powerful voice and her office's considerable resources and expertise behind this effort; the many public agencies and officials, legal services organizations, and housing advocates who testified at the Senate hearing that inspired this legislation; and, perhaps most of all, those who came forward with their own painful stories of falling victim to deed theft. Finally, I'd like to thank Governor Kathy Hochul for signing this legislation and for her steadfast leadership and commitment to justice."

Assemblymember Helene Weinstein said, "Deed theft often takes advantage of the most vulnerable New Yorkers: elderly homeowners who are 'house rich' but cash poor; literally ripping them from their homes. It has been a privilege to work with Senator Kavanagh in co-sponsoring this bill, which provides the Attorney General, our NYC Sheriffs and District

Attorneys with modern tools to stay ahead of fraudsters - keeping homeowners in their homes. I am particularly grateful to have worked closely with Attorney General James in crafting this legislation, and thankful for the support of Governor Hochul in the fight against these cruel and heartless deed thefts."

Brooklyn District Attorney Eric Gonzalez said, "Scammers who commit deed fraud often target the most vulnerable in our communities, and for too long, deficiencies in our laws have presented additional hurdles for victims. This legislation provides important new tools to protect homeowners from deed theft, to prevent victims from being evicted from their own homes, and to help prosecutors seek justice. I commend Governor Hochul for signing this essential new law, and thank Assemblymember Weinstein and Senator Kavanagh for their leadership."

New Yorkers are encouraged to report deed theft and other scams to the Attorney General's office by calling 800-771-7755 or filing a complaint [here](#).

RELATED LEGISLATION

2023-S6577

- 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

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Relates to the theft of real property and protecting victims of real property theft

April 27, 2023

Signed by Governor

Sponsored by **Brian Kavanagh**

Do you support this bill?