



NEW YORK STATE SENATOR

Anna M. Kaplan

Small Business Eviction & Foreclosure Moratorium Introduced in NY State Senate

SENATOR ANNA M. KAPLAN December 31, 2020

| ISSUE: **SMALL BUSINESS, COMMERCIAL EVICTION MORATORIUM, COMMERCIAL FORECLOSURE MORATORIUM**

| COMMITTEE: **COMMERCE, ECONOMIC DEVELOPMENT AND SMALL BUSINESS**



CARLE PLACE, NY (December 31, 2020) - State Senator Anna M. Kaplan announced the introduction of legislation in the New York State Senate that will protect New York small businesses struggling due to the COVID-19 pandemic from the threat of foreclosure or eviction until May 1, 2021.

"We just enacted historic legislation to protect homeowners and tenants from the threat of foreclosure and eviction during the pandemic, but we need to come back and make sure New York's small businesses are protected too," said **Senator Anna M. Kaplan, Chair of the New York State Senate Committee on Commerce, Economic Development, and Small Business**. "Small businesses are the backbone of our community and our state economy, and we need to give them the opportunity to get back on their feet without the looming threat of being closed down for good."

The bill, [s.471](#), will:

- **Prevent Small Business Evictions:** This bill creates a Standardized Hardship Declaration Form, which commercial tenants with fewer than 100 employees can submit to their landlord or court to prevent or halt an eviction if they have a financial hardship related to, or during COVID-19 that prevents them from being able to pay their rent in full or move
 - Once a tenant has signed this form, they may return it to their landlord or to a court to prevent a landlord from filing an eviction or suspend an eviction proceeding already underway until May 1, 2021, in addition to other protections.
- **Protect Against Foreclosure and Tax Lien Sales For Small Commercial Property Owners:** This bill provides protections against foreclosure and tax lien sales to any small commercial property owner.
 - Property owners will be able to access foreclosure and tax lien sale protection by filing a Standardized Hardship Declaration Form with their mortgage lender, local assessor or court, similar to that created by the eviction protection proposal. The owner will declare, under penalty of perjury, a financial hardship that prevents them from paying their mortgage or property taxes because of lost income, including reduction in rent

collections; and increased expenses.

- **Prohibit Negative Credit Reporting and Discrimination in Extending Credit:** This bill protects a property owner from credit discrimination if the owner has fallen behind on mortgage payments on their commercial property because they have received a stay of mortgage foreclosure, tax foreclosure, or tax lien sales on the property.
 - Property owners will use the same Hardship Declaration to avoid credit discrimination based on their mortgage arrears on the property.
 - Additionally, the legislation will prohibit negative reporting to any credit agency of the granting or imposition of a stay on mortgage foreclosure proceedings, or tax foreclosure proceedings or tax lien sale on such property.

The bill has been pre-filed for the 2021 legislative session, and [the bill draft can be downloaded here](#).

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