

**CITY OF NEW YORK  
DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT**

**Notice of Adoption of Rules Regarding Fees for Administration of Loan Programs  
and Certain other Municipality-Aided Projects**

**Notice is hereby given** that pursuant to the authority vested in the Commissioner of the Department of Housing Preservation and Development (HPD) by sections 1043 and 1802 of the New York City Charter, HPD is adopting amendments to rules regarding fees for administration of loan programs and certain other municipality-aided projects. A notice of rulemaking was published in the City Record on July 21, 2020. A virtual public hearing was held on August 25, 2020.

**Statement of Basis and Purpose**

The rules amend the Department of Housing Preservation and Development's rules regarding fees for loan programs and other projects that receive municipal aid. In particular, these rules provide for waiver of the mortgage servicing fee which applies to requests for subordination, satisfaction or other modifications of debt from loans made by HPD to a grantee, borrower, or recipient.

HPD has determined that under the circumstances where the structure financed by the loan under one of HPD's homeownership programs, or under a condominium project, or under a cooperative project that is not owned by a housing development fund corporation has been confirmed by HPD to contain a serious construction defect, the mortgage refinance fee authorized to be charged pursuant to these rules may be waived by HPD. In addition, the rule provides that if the owner of any such project has experienced loss of income as a result of the COVID-19 Pandemic and has submitted adequate documentation of such loss to HPD, the fee may be waived.

Section 1. Subdivision (i) of section 37-02 of chapter 37 of title 28 of the rules of the city of New York is amended to read as follows:

(i) Mortgage [Refinance] Servicing Fee. Mortgage [Refinance] Servicing Fee shall mean the amount charged to a grantee, borrower, or recipient for HPD's administrative costs in connection with processing requests to subordinate, satisfy or otherwise modify HPD debt.

§2. Subdivision (f) of section 37-03 of chapter 37 of title 28 of the rules of the city of New York is amended to read as follows:

(f) *Mortgage [Refinance] Servicing Fee*. HPD may charge a Mortgage [Refinance] Servicing Fee in the amount of four hundred dollars (\$400).

§3. Section 37-04 of chapter 37 of title 28 of the rules of the city of New York is amended by adding a new subdivision (c) to read as follows:

(c) The Mortgage Servicing Fee may be waived if HPD has determined that the structure financed by a loan or grant under one of HPD's One- to Four-Family Programs, or under a condominium project, or under a cooperative project that is not owned by a housing development fund corporation, has been confirmed by HPD to contain a serious construction defect, or that the owner of such structure or board

of managers of such condominium project, or board of such cooperative project has experienced loss of income as a result of the COVID-19 Pandemic, and has submitted adequate documentation to HPD regarding such loss. Such determination will be solely within HPD's discretion. Such waiver may be granted for loss of income as a result of the COVID-19 Pandemic where such fee may have been due on or after March 2020.