

LEGAL ALERT

February 4, 2026

New NYC Law: Co-op Admissions Timing Law

Co-op boards and managing agents will need to quickly familiarize themselves with a newly-adopted Local Law, Intro. 1120-B, which requires co-ops with 10 or more residential units¹ to follow strict timelines to review and respond to sales applications that require board approval.

1. **Effective June 29, 2026, co-ops must maintain a form of application and a complete list of transfer requirements** (e.g., documents and fees) which are required for its review process. This may include items such as income tax returns, bank and brokerage statements, personal recommendations and reports such as a UCC, judgment and lien search.
2. **Co-ops must respond within 15 days after receiving an application** from a purchaser or a purchaser's agent, to acknowledge receipt of the application materials received, and to advise whether the co-op considers the application to be complete or, if the application is not complete, precisely what is required to make complete the application. **If a co-op fails to acknowledge an application within 15 days of submission, the application shall be considered complete as of the date the acknowledgment was due.**
3. **Thereafter, boards have 45 days to notify the purchaser or purchaser's agent whether it denies the request, consents unconditionally, or consents subject to specified conditions such as personal guaranties or an escrow payment.** The co-op may request any additional materials if needed for its determination within the 45-day period.

Boards are allowed to adopt a recess period during July and August which would toll these deadlines.

These timelines must be taken very seriously as the New York City Department of Housing Preservation and Development (HPD) will be authorized to impose fines against

¹ There are exceptions for Article XI HDFC co-ops and other co-ops where a government agency's approval is required.

co-ops which fail to comply of \$1,000 for a first violation, \$1,500 for a second violation, and \$2,000 for a third or subsequent violation.

All co-ops should review their application procedures to make certain that they comply with the requirements of this new law. As was previously the case, admission procedures always must be fairly and consistently applied. But now, boards must also carefully monitor submission dates so as not to miss any response deadlines as well.

For more information, including a copy of the new law, please contact one of the Phillips Nizer attorneys listed below.

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