

2011-2012 Regular Sessions

I N   S E N A T E

(PREFILED)

January 5, 2011

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Introduced by Sens. MAZIARZ, BONACIC, FLANAGAN, FUSCHILLO, JOHNSON,  
RANZENHOFER, SEWARD -- read twice and ordered printed, and when print-  
ed to be committed to the Committee on Banks

AN ACT to amend the banking law, in relation to preauthorized electronic  
fund transfers

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEM-  
BLY, DO ENACT AS FOLLOWS:

- 1     Section 1. Section 9-s of the banking law, as added by chapter 550 of  
2     the laws of 1998, is amended to read as follows:  
3     S 9-s. Preauthorized electronic fund transfers.     1. Every banking  
4     institution which provides preauthorized electronic fund transfers from  
5     consumer accounts shall, in accordance with regulations adopted by the  
6     banking board, provide consumers with the right to stop payment by  
7     giving written or oral notice within a specified period of time prior to  
8     such transfer. [Any banking institution which complies with the stop  
9     payment provisions of the federal Electronic Funds Transfer Act, as such  
10    act may be amended from time to time, and any regulations adopted pursu-  
11    ant thereto, shall be deemed to be in compliance with the provisions of  
12    this section.] For purposes of this section, "banking institution" shall  
13    mean any state or federally chartered bank, trust company, savings bank,  
14    savings and loan association or credit union, and "consumer account"  
15    shall mean an account used primarily for personal, family or household  
16    purposes.  
17    2. NO AGREEMENT FOR PREAUTHORIZED ELECTRONIC FUND TRANSFERS ENTERED  
18    INTO ON OR AFTER JANUARY FIRST, TWO THOUSAND TWELVE SHALL PERMIT OR  
19    REQUIRE THE TRANSFER FROM A CONSUMER ACCOUNT OF ANY FUNDS AS A PENALTY  
20    OR A FINAL PAYMENT AFTER THE CONSUMER HAS GIVEN WRITTEN OR ORAL NOTICE  
21    TO STOP PAYMENT TO HIS OR HER FINANCIAL INSTITUTION.  
22    3. ANY BANKING INSTITUTION WHICH COMPLIES WITH THE STOP PAYMENT  
23    PROVISIONS OF THE FEDERAL ELECTRONIC FUNDS TRANSFER ACT, AS SUCH ACT MAY

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets  
[ ] is old law to be omitted.

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1 BE AMENDED FROM TIME TO TIME, AND ANY REGULATIONS ADOPTED PURSUANT THER-  
2 ETO, SHALL BE DEEMED TO BE IN COMPLIANCE WITH THE PROVISIONS OF THIS  
3 SECTION.  
4 S 2. This act shall take effect immediately.