

4115--A

2013-2014 Regular Sessions

I N S E N A T E

March 8, 2013

Introduced by Sens. SAVINO, ADDABBO, AVELLA -- read twice and ordered printed, and when printed to be committed to the Committee on Consumer Protection -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the general business law, in relation to permitting storage fees in connection with collateral loans

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

1 Section 1. Section 46 of the general business law, as amended by chap-
2 ter 651 of the laws of 2005, is amended to read as follows:
3 S 46. Rate of interest; STORAGE FEE. 1. (A) Notwithstanding any
4 general or special statutes, local laws and ordinances to the contrary,
5 no collateral loan broker shall ask, demand or receive any greater rate
6 of interest than four per centum per month, or any fraction of a month,
7 and a notice containing a list of such rates of interest as herein
8 provided and in accordance with the act of congress entitled "Truth in
9 Lending Act" and the regulations thereunder, as such act and regulations
10 may from time to time be amended shall be conspicuously displayed within
11 the premises of such collateral loan broker. A minimum interest charge
12 of twenty-five cents per month may be made on any loan.
13 (B) No collateral loan broker shall receive or be entitled to any
14 interest or charges OR STORAGE FEE as provided by this article on any
15 loan for any period of time exceeding fifteen months from the date of
16 the making of such loan, provided however that where a loan is extended
17 at the direct request of the pledgor, the collateral loan broker may
18 receive and be entitled to any interest or charges provided by this
19 article on such loan for any period of time not to exceed fifteen months
20 from the date of such extension.
21 2. NOTWITHSTANDING ANY GENERAL OR SPECIAL LAW, LOCAL LAW OR ORDINANCE
22 TO THE CONTRARY, NO COLLATERAL LOAN BROKER SHALL ASK, DEMAND OR RECEIVE
23 A STORAGE FEE WHICH EXCEEDS AN AMOUNT EQUAL TO THIRTEEN PERCENT OF THE

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

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1 AMOUNT OF THE LOAN FOR THE FIRST THIRTY DAYS, AND SEVENTEEN PERCENT OF
2 THE AMOUNT OF THE LOAN FOR EACH THIRTY DAYS OR PORTION THEREOF IF SUCH
3 LOAN IS EXTENDED BEYOND THIRTY DAYS AT THE SOLE DISCRETION OF THE PLED-
4 GOR.

5 S 2. This act shall take effect immediately and shall apply to collat-
6 eral loans made on or after such date.