

703

2013-2014 Regular Sessions

I N S E N A T E

(PREFILED)

January 9, 2013

Introduced by Sen. SAMPSON -- read twice and ordered printed, and when printed to be committed to the Committee on Banks

AN ACT to amend the banking law, in relation to mail-loan checks

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

1 Section 1. Subdivisions 2 and 3 of section 9-t of the banking law, as
2 added by chapter 309 of the laws of 2002, are amended and a new subdivi-
3 sion 4 is added to read as follows:
4 2. Any lending institution which issues mail-loan checks shall:
5 (a) include on the face of each check issued to a non-customer a writ-
6 ten statement, in legible type reading "ONE FORM OF VALID PHOTOGRAPHIC
7 ID NEEDED TO CASH OR DEPOSIT"; provided, however, that any entity cash-
8 ing or accepting a mail-loan check for deposit may require more than one
9 form of identification;
10 (b) make no reference on the outside of the envelope containing a
11 mail-loan check that indicates that a check is enclosed within such
12 envelope;
13 (c) provide that all mail-loan checks shall be non-transferable; and
14 (d) include THE TRANSACTION FEE AND INTEREST RATE AND an expiration
15 date of not more than six months on the mail-loan check, AS WELL AS ANY
16 ADDITIONAL INFORMATION THAT THE SUPERINTENDENT MAY REQUIRE.
17 3. NO LENDING INSTITUTION SHALL ISSUE A MAIL-LOAN CHECK, EXCEPT IN
18 RESPONSE TO A REQUEST OR APPLICATION THEREFOR.
19 4. FAILURE TO DESTROY OR RETURN A MAIL-LOAN CHECK SHALL NOT CONSTITUTE
20 ACCEPTANCE OF THE CHECK.
21 5. Any lending institution which mails a mail-loan check in violation
22 of the provisions of this section shall be liable for a civil penalty
23 not to exceed five hundred dollars for each such violation.
24 S 2. This act shall take effect on the one hundred twentieth day after
25 it shall have become a law.

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

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