STATE OF NEW YORK

3789--C

Cal. No. 1027

2025-2026 Regular Sessions

IN SENATE

January 30, 2025

Introduced by Sen. MYRIE -- read twice and ordered printed, and when printed to be committed to the Committee on Banks -- reported favorably from said committee, ordered to first and second report, ordered to a third reading, amended and ordered reprinted, retaining its place in the order of third reading -- recommitted to the Committee on Banks in accordance with Senate Rule 6, sec. 8 -- reported favorably from said committee, ordered to first and second report, ordered to a third reading, amended and ordered reprinted, retaining its place in the order of third reading -- again amended and ordered reprinted, retaining its place in the order of third reading

AN ACT to amend the financial services law, in relation to civil penalties for certain fraud or misrepresentation of a material fact with respect to a financial product or service

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Paragraph 1 of subsection (a) of section 408 of the financial services law is amended and a new subsection (c) is added to read as follows:

(1) not to exceed five thousand dollars per offense, for:

(A) **(i)** any [~~intentional~~] fraud [~~or intentional misrepresentation~~] **with respect to a financial product or service or involving any person offering to provide or providing financial products or services; or**

(ii) any representation or omission of a material fact with respect to a financial product or service or involving any person offering to provide or providing financial products or services **that misleads or is likely to mislead a consumer when the consumer's interpretation of the representation or omission is reasonable under the circumstances**; [~~or~~]

(B) any violation of state or federal fair debt collection practices or federal or state fair lending laws; **or**

(C) any act or practice that:

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

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(i) causes or is likely to cause substantial injury to consumers which is not reasonably avoidable by consumers; and

(ii) such substantial injury is not outweighed by countervailing benefits to consumers or to competition; and

(c) This section shall not be construed to limit any other criminal or civil liability such entity may be subject to under law.

§ 2. This act shall take effect immediately.