

# STATE OF NEW YORK

7654

2025-2026 Regular Sessions

## IN SENATE

April 25, 2025

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

AN ACT to amend the financial services law, in relation to authorizing the superintendent of financial services to oversee and regulate sales of motor vehicles to consumers; to amend the personal property law, in relation to the contents of motor vehicle retail installment contracts; and to amend the vehicle and traffic law, in relation to requiring motor vehicle dealers to provide credit applicants with a copy of all loan application documents, and prohibiting conditional deliveries of motor vehicles

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

1 Section 1. Section 301 of the financial services law is amended by  
2 adding a new subsection (d) to read as follows:

3 (d) The superintendent shall have the power to oversee and regulate  
4 the financing of both new and used motor vehicles purchased in this  
5 state, including the implementation of article nine of the personal  
6 property law, and motor vehicle dealer transactions with consumers,  
7 including those subject to the provisions of article sixteen of the  
8 vehicle and traffic law.

9 § 2. Section 302 of the personal property law is amended by adding two  
10 new subdivisions 5-a and 5-b to read as follows:

11 5-a. Every retail installment contract shall include the following  
12 statement in twelve point type:

13 "Conditional Deliveries Prohibited: In accordance with Section 417-d  
14 of the New York State Vehicle and Traffic Law, when this contract is  
15 signed by the dealer and the buyer, and the buyer takes the vehicle off  
16 the dealer lot, the buyer is the owner of the vehicle and has the right  
17 to keep the vehicle except for reasons of non-payment of this contract.  
18 The dealer may not demand that the vehicle be returned for any reason,  
19 including alleged denial of any financing. Dealers and lenders may only

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

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1 demand the vehicle be returned for reasons of non-payment by the buyer.  
2 Dealers cannot make an exception to this provision with another contract  
3 or document."

4 5-b. Every retail installment contract shall separately itemize each  
5 of the following:

6 (a) the price paid for the motor vehicle;

7 (b) the price of each option, add-on and additional charge relating to  
8 the sale of the motor vehicle;

9 (c) all fees imposed by a lender upon the dealer or buyer related to  
10 financing the purchase of the motor vehicle;

11 (d) the total price of the motor vehicle including all charges imposed  
12 pursuant to paragraphs (a), (b) and (c) of this subdivision.

13 § 3. The vehicle and traffic law is amended by adding two new sections  
14 417-d and 417-e to read as follows:

15 § 417-d. Credit applications for purchase of motor vehicles. 1. Every  
16 dealer which applies for or grants eligibility for the provision of  
17 credit for the purchase of a motor vehicle shall review and confirm with  
18 the applicant for such credit all information included in the applica-  
19 tion therefor. Such review and confirmation shall include specific  
20 consideration of each item of information as to its accuracy to the best  
21 of the knowledge of the parties. No such application shall be deemed  
22 complete nor shall it be submitted unless the dealer and the credit  
23 applicant shall have signed their signatures attesting that all informa-  
24 tion in the application is accurate and true to the best of their know-  
25 ledge.

26 2. The failure of any dealer to comply with the provisions of this  
27 section, shall grant any credit applicant, who takes delivery of a motor  
28 vehicle purchased on the basis of credit acquired for them by such deal-  
29 er, the option to void the sale of such motor vehicle within thirty days  
30 of the delivery of such vehicle. Upon the voiding of any sale pursuant  
31 to this subdivision the dealer shall immediately repay to the purchaser  
32 all costs incurred by such purchaser as a consequence of the voided  
33 sale, including any financing charges and interest, and the fair market  
34 private sale value of any motor vehicle traded-in in the course of such  
35 sale. Furthermore, in the event a purchaser commences a cause of action  
36 to enforce the provisions of this subdivision, a prevailing purchaser  
37 shall be entitled to court costs and reasonable attorney's fees.

38 3. The provisions of this section shall not be deemed to limit any  
39 other right or remedy of a plaintiff in law or equity.

40 § 417-e. Conditional deliveries; prohibited. 1. No motor vehicle sold  
41 by a dealer shall be delivered to the possession of a purchaser subject  
42 to any condition to be complied with after delivery of possession of the  
43 motor vehicle.

44 2. All terms and conditions of the sale of a motor vehicle shall be  
45 fully and clearly disclosed, in writing, to the purchaser prior to the  
46 delivery of possession of such vehicle, and shall be signed by both the  
47 dealer and the purchaser.

48 3. Every dealer shall provide a copy of the written disclosures  
49 required by subdivision two of this section, and shall also maintain a  
50 copy thereof for a period of not less than seven years.

51 § 4. This act shall take effect on the first of January next succeed-  
52 ing the date on which it shall have become a law.