S T A T E O F N E W Y O R K

169

2009-2010 Regular Sessions

I N A S S E M B L Y

(PREFILED)

January 7, 2009

Introduced by M. of A. JEFFRIES, PERRY, WRIGHT -- Multi-Sponsored by -- M. of A. ALFANO, BARRA, HYER-SPENCER, MAYERSOHN -- read once and referred to the Committee on Banks

AN ACT to amend the banking law, in relation to day of deposit to day of withdrawal accounts

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

Section 1. The banking law is amended by adding a new section 98-b to read as follows:

S 98-B. DAY OF DEPOSIT TO DAY OF WITHDRAWAL ACCOUNTS. NO BANK OR TRUST COMPANY WHICH AGREES TO CREDIT INTEREST OR DIVIDENDS UPON AN ACCOUNT FROM THE DATE ON WHICH A DEPOSIT IS MADE TO THE DATE THE DEPOSIT IS WITHDRAWN MAY PROVIDE FOR THE FORFEITURE OF ANY PART OF SUCH INTEREST OR DIVIDENDS IN THE EVENT SUCH ACCOUNT IS CLOSED PRIOR TO THE END OF THE CALENDAR QUARTER OR OTHER REGULAR APPLICABLE INTEREST OR DIVIDEND PERIOD. ANY INTEREST OR DIVIDENDS EARNED SHALL BE DEEMED TO BE EARNED DAILY AND SHALL BE MADE AVAILABLE TO THE DEPOSITOR AT THE TIME SUCH ACCOUNT IS CLOSED.

S 2. Subdivision 3-b of section 245 of the banking law, as amended by chapter 360 of the laws of 1984, is amended to read as follows:

3-b. Subject to such limitations and restrictions as may be prescribed by regulation of the banking board, a savings bank [may] SHALL credit interest on deposits DAILY from the date on which the deposit is made to the date the deposit is withdrawn.

S 3. Paragraph (bb) of subdivision 4 of section 378 of the banking law, as amended by chapter 349 of the laws of 1986, is amended to read as follows:

(bb) Subject to such limitations and restrictions as may be prescribed by regulation of the banking board, special savings shares, upon which dues shall be paid in such sums, at such times and for such purposes as

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

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the holder thereof may elect, and which shall provide that dividends shall be credited from the date of actual receipt of such dues to the date they are withdrawn or retired. Dividends on special savings shares shall be credited DAILY and shall be made available no later than the end of a regular dividend period, or at the time such special savings shares are withdrawn or retired if in the opinion of a majority of the board of directors it appears the savings and loan association will have sufficient profit available at the end of such regular dividend period to pay dividends and if the board of directors chooses payment of dividends at withdrawal as an option to periodic payment of dividends. Any savings and loan association which does not make dividends available pursuant to the provisions of this paragraph shall promptly notify the superintendent of banks of such decision. Withdrawals or retirements of special savings shares during the last three business days of any regular dividend period or, in the event that any one of such last three business days is a Saturday, withdrawals of such shares upon one of the last four business days of any such period may receive dividends apportioned for the full period.

S 4. Every bank or trust company, savings bank, or savings and loan association offering an account or share pursuant to this act on or after the effective date herein shall be required to offer such account or share in conformity with the provisions of this act. Any such account or share shall be deemed or construed as if the respective provisions of this act were contained therein.

S 5. This act shall take effect on the one hundred eightieth day after it shall have become a law.