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

2604

2009-2010 Regular Sessions

I N A S S E M B L Y

January 21, 2009

Introduced by M. of A. PRETLOW -- read once and referred to the Committee on Banks

AN ACT to amend the banking law, in relation to prohibiting banks from issuing checks whose endorsement constitutes acceptance of an unsolicited loan

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 9-v to read as follows:

S 9-V. BANKING ORGANIZATIONS PROHIBITED FROM ISSUING CHECKS WHOSE ENDORSEMENT CONSTITUTES ACCEPTANCE OF AN UNSOLICITED LOAN. NO BANKING ORGANIZATION SHALL ISSUE A CHECK OR DRAFT TO ANY PERSON, FIRM, PARTNERSHIP, CORPORATION OR OTHER LEGAL ENTITY IF THE ENDORSEMENT OR DEPOSIT OF SUCH CHECK OR DRAFT BY THE PAYEE WOULD CONSTITUTE THE ACCEPTANCE OF A LOAN FROM SUCH BANKING ORGANIZATION TO SUCH PAYEE WITHOUT SUCH PAYEE'S HAVING SOLICITED SUCH LOAN.

S 2. This act shall take effect on the one hundred twentieth day after it shall have become a law; provided, however, that effective immediately, the addition, amendment, and/or repeal of any rule or regulation by the superintendent of banks necessary for the implementation of this act on its effective date are authorized and directed to be made and completed on or before such effective date.

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

LBD01717-01-9