

4607

2009-2010 Regular Sessions

I N S E N A T E

April 24, 2009

Introduced by Sens. ONORATO, BRESLIN, DILAN, HASSELL-THOMPSON, C. JOHN-
SON, KRUEGER, PARKER, PERKINS, SAMPSON, SCHNEIDERMAN, THOMPSON -- 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 requiring the disclosure
of the rights and liabilities of joint depositors

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

1 Section 1. Legislative findings. The legislature hereby finds that
2 many consumers fail to fully comprehend the rights and liabilities they
3 assume when they establish a bank account as joint tenants. For that
4 reason, the legislature declares that the state banking department shall
5 promulgate rules and regulations to provide for the full and public
6 disclosure by banking institutions of such rights and liabilities at the
7 opening of such an account.
8 S 2. Section 14-c of the banking law, as added by chapter 19 of the
9 laws of 1978 and the opening paragraph of subdivision 1 as amended by
10 chapter 9 of the laws of 1996, is amended to read as follows:
11 S 14-c. Power of the banking board to prescribe criteria for disclo-
12 sure of information on savings and time accounts. 1. The banking board
13 shall promulgate rules and regulations with respect to the disclosure of
14 information on savings and time accounts by all banking organizations
15 and out-of-state state banks authorized to operate and maintain branches
16 pursuant to article five-C of this chapter. Such rules and regulations
17 shall set forth guidelines for, but not be limited to the following:
18 (a) disclosure of the annual rate of simple interest; the effective
19 annual yield; the formula used in calculating interest; the frequency of
20 compounding and crediting of interest; date on which a deposit begins to
21 earn interest; any delay in crediting a deposited instrument; grace
22 periods for deposits and withdrawals; the minimum balance required to
23 earn interest; the method of determining the balance on which interest

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

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1 is paid; the minimum length of time funds must remain on deposit to earn
2 interest; any fees levied on inactive accounts; any charges, penalties
3 or other conditions imposed upon withdrawals; any penalties for the
4 closing of an account before a specific date; THE RIGHTS AND LIABILITIES
5 OF DEPOSITORS OR SHAREHOLDERS OF ACCOUNTS HELD JOINTLY; and any other
6 fees, charges or penalties.

7 (b) form, content and distribution of information PROVIDED, THAT WITH
8 RESPECT TO ACCOUNTS HELD JOINTLY, SUCH INFORMATION SHALL INCLUDE, BUT
9 NOT BE LIMITED TO, A ONE PAGE FORM IN BOLD PRINT DISTRIBUTED TO DEPOS-
10 ITORS OR SHAREHOLDERS WHEN SUCH AN ACCOUNT IS OPENED, DETAILING THE
11 RIGHTS AND LIABILITIES OF SUCH DEPOSITORS OR SHAREHOLDERS.

12 2. The banking board may alter or amend rules and regulations or
13 promulgate additional rules and regulations as it deems necessary and
14 proper to effectuate the provisions of subdivision one OF THIS SECTION.

15 S 3. This act shall take effect on the one hundred twentieth day after
16 it shall have become a law, provided, however, that the banking board
17 shall immediately promulgate such rules and regulations as are necessary
18 so that the provisions of this act may be fully implemented on such
19 date.