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

10602

I N A S S E M B L Y

April 8, 2010

Introduced by M. of A. CASTELLI -- Multi-Sponsored by -- M. of A. ALFANO, BARRA -- read once and referred to the Committee on Consumer Affairs and Protection

AN ACT to amend the general business law, in relation to informing consumers of the effect of mortgage rate shopping on their credit rating

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

Section 1. Section 380-u of the general business law, as relettered by chapter 63 of the laws of 2006, is relettered section 380-v and a new section 380-u is added to read as follows:

S 380-U. NOTIFICATION OF EFFECT OF MORTGAGE RATE SHOPPING. ANY ENTITY THAT PROVIDES MORTGAGES TO CONSUMERS SHALL NOTIFY ANY CONSUMER OF THE EFFECT OF MORTGAGE RATE SHOPPING PRIOR TO SUCH ENTITY REQUESTING A CREDIT REPORT ON SUCH CONSUMER. THE ENTITY SHALL INFORM THE CONSUMER THAT MORTGAGE RATE SHOPPING MAY ADVERSELY AFFECT THE CONSUMER'S CREDIT RATING. THE CONSUMER SHALL HAVE THE OPTION OF CANCELING HIS OR HER REQUEST TO THE ENTITY.

S 2. This act shall take effect on the sixtieth day after it shall have become a law.

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

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