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

1616

2009-2010 Regular Sessions

I N A S S E M B L Y

(PREFILED)

January 7, 2009

Introduced by M. of A. ZEBROWSKI -- read once and referred to the Committee on Consumer Affairs and Protection

AN ACT to amend the general business law, in relation to the disclosure of modifications to credit card annual percentage rates

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

Section 1. The general business law is amended by adding a new section 515-a to read as follows:

S 515-A. DISCLOSURE OF MODIFICATIONS TO ANNUAL PERCENTAGE RATES. IF AN ISSUER MODIFIES THE ANNUAL PERCENTAGE RATE OR INTRODUCTORY ANNUAL PERCENTAGE RATE OF A CREDIT CARD, THE ISSUER MUST HAVE CLEARLY AND CONSPICUOUSLY DISCLOSED, IN WRITING, AT THE TIME THE HOLDER ACCEPTED THE CREDIT CARD, THAT SUCH RATE MAY BE MODIFIED AT ANY TIME AND MAY BE MODIFIED FOR REASONS OTHER THAN THE ACTIONS OR OMISSIONS OF THE HOLDER. THE ANNUAL PERCENTAGE RATE FOR SUCH CARD SHALL NOT EXCEED THE MAXIMUM INTEREST RATE ALLOWED IN THIS STATE. FOR THE PURPOSES OF THIS SECTION, "ANNUAL PERCENTAGE RATE" MEANS EACH PERIODIC RATE THAT MAY BE USED TO COMPUTE THE FINANCE CHARGE ON AN OUTSTANDING BALANCE FOR PURCHASES, EXPRESSED AS AN ANNUAL PERCENTAGE RATE.

S 2. This act shall take effect on the first of January next succeeding the date on which 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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