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

47

2009-2010 Regular Sessions

I N S E N A T E

(PREFILED)

January 7, 2009

Introduced by Sen. FUSCHILLO -- read twice and ordered printed, and when printed to be committed to the Committee on Consumer Protection

AN ACT to amend the general business law, in relation to prohibiting issuers of credit cards from increasing the rate of interest imposed upon outstanding balance based upon a holder's indebtedness or late payments to other creditors

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. INCREASING RATE OF INTEREST OR IMPOSITION OF FEES FOR INDEBTEDNESS TO OTHER CREDITORS. 1. NO ISSUER SHALL INCREASE THE RATE OF INTEREST UPON THE ACCOUNT OF THE HOLDER OR IMPOSE A FEE UPON THE OUTSTANDING BALANCE OWED BY A HOLDER WHEN THE INCREASED RATE OF INTEREST OR THE IMPOSITION OF A FEE IS SOLELY THE RESULT OF THE HOLDER'S INDEBTEDNESS OR FAILURE TO MAKE TIMELY PAYMENTS TO ANY OTHER CREDITOR OR CREDITORS.

2. A VIOLATION OF SUBDIVISION ONE OF THIS SECTION SHALL CONSTITUTE A MISDEMEANOR.

S 2. This act shall take effect on the first day of the calendar month which commences 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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