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

7921

I N S E N A T E

May 24, 2010

Introduced by Sen. ALESI -- 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 prohibiting the use of unsolicited mail-loan checks; and to repeal section 9-t of such law relating thereto

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

Section 1. Section 9-t of the banking law is REPEALED and a new section 9-t is added to read as follows:

S 9-T. UNSOLICITED MAIL-LOAN CHECKS. 1. FOR PURPOSES OF THIS SECTION, THE FOLLOWING TERMS SHALL HAVE THE FOLLOWING MEANINGS:

(A) "LENDING INSTITUTION" SHALL MEAN A LICENSED LENDER OR A STATE OR FEDERALLY CHARTERED BANK, TRUST COMPANY, SAVINGS BANK, SAVINGS AND LOAN ASSOCIATION OR CREDIT UNION.

(B) "MAIL-LOAN CHECK" SHALL MEAN A CHECK, MADE OUT TO AND MAILED TO A PERSON BY A LENDING INSTITUTION, WHICH, WHEN CASHED OR DEPOSITED BY SUCH PERSON, OBLIGATES SUCH PERSON TO REPAY TO SUCH LENDING INSTITUTION THE AMOUNT OF THE PROCEEDS OF SUCH CHECK ACCORDING TO TERMS MAILED TO SUCH RECIPIENT WITH SUCH CHECK.

2. NO LENDING INSTITUTION SHALL ISSUE AN UNSOLICITED MAIL-LOAN CHECK.

S 2. This act shall take effect immediately.

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

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