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

2850--A

2011-2012 Regular Sessions

I N   A S S E M B L Y

January 20, 2011

Introduced by M. of A. PRETLOW -- read once and referred to the Committee on Banks -- recommitted to the Committee on Banks in accordance with Assembly Rule 3, sec. 2 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the banking law, in relation to mail-loan checks

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

Section 1. Subdivisions 2 and 3 of section 9-t of the banking law, as added by chapter 309 of the laws of 2002, are amended and a new subdivision 4 is added to read as follows:

2. Any lending institution which issues mail-loan checks shall:

(a) include on the face of each check issued to a non-customer a written statement, in legible type reading "ONE FORM OF VALID PHOTOGRAPHIC ID NEEDED TO CASH OR DEPOSIT"; provided, however, that any entity cashing or accepting a mail-loan check for deposit may require more than one form of identification;

(b) make no reference on the outside of the envelope containing a mail-loan check that indicates that a check is enclosed within such envelope;

(c) provide that all mail-loan checks shall be non-transferable; and

(d) include THE TRANSACTION FEE AND INTEREST RATE AND an expiration date of not more than six months on the mail-loan check, AS WELL AS ANY ADDITIONAL INFORMATION THAT THE SUPERINTENDENT MAY REQUIRE.

3. NO LENDING INSTITUTION SHALL ISSUE A MAIL-LOAN CHECK, EXCEPT IN RESPONSE TO A REQUEST OR APPLICATION THEREFOR.

4. FAILURE TO DESTROY OR RETURN A MAIL-LOAN CHECK SHALL NOT CONSTITUTE ACCEPTANCE OF THE CHECK.

5. Any lending institution which mails a mail-loan check in violation of the provisions of this section shall be liable for a civil penalty not to exceed five hundred dollars for each such violation.

S 2. This act shall take effect on the one hundred twentieth 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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