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2011-2012 Regular Sessions

I N A S S E M B L Y

February 18, 2011

Introduced by M. of A. ROBINSON, REILLY, N. RIVERA, GIBSON -- Multi-Sponsored by -- M. of A. BOYLAND, PEOPLES-STOKES, TOWNS -- read once and referred to the Committee on Banks

AN ACT to amend the banking law, in relation to the maximum rate of interest on credit cards

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

1 Section 1. The banking law is amended by adding a new section 14-g to
2 read as follows:
3 S 14-G. POWER OF THE BANKING BOARD TO PRESCRIBE MAXIMUM RATE OF
4 INTEREST ON CREDIT CARDS. 1. AS USED IN THIS SECTION, THE TERM "CREDIT
5 CARD" SHALL MEAN ANY CREDIT PLATE, CHARGE PLATE OR OTHER IDENTIFICATION
6 CARD OR DEVICE WHICH IS ISSUED TO ANY LEGAL ENTITY AS THE HOLDER THERE-
7 OF, AND MAY BE USED BY SUCH HOLDER TO OBTAIN A CASH ADVANCE OR A LOAN OR
8 CREDIT, OR TO PURCHASE OR RENT PROPERTY OR SERVICES ON THE CREDIT OF THE
9 ISSUER OR OF THE HOLDER.
10 2. NOTWITHSTANDING THE PROVISIONS OF ANY OTHER LAW, RULE OR REGU-
11 LATION TO THE CONTRARY, THE BANKING BOARD SHALL SET THE MAXIMUM RATE OF
12 INTEREST FOR CREDIT CARDS, NOT TO EXCEED EIGHTEEN PERCENT ANNUALLY.
13 SUCH RATE MAY ONLY EXCEED EIGHTEEN PERCENT IF THE PRIME RATE EXCEEDS
14 EIGHTEEN PERCENT FOR SIXTY CONSECUTIVE DAYS, BUT IN NO EVENT SHALL SUCH
15 NEW RATE ESTABLISHED BY THE BANKING BOARD BE MORE THAN ONE AND ONE-QUAR-
16 TER PERCENT ABOVE THE PRIME RATE IN EFFECT AT THE TIME SUCH RATE IS SET.
17 3. NO PERSON, FIRM OR CORPORATION SHALL, DIRECTLY OR INDIRECTLY,
18 CHARGE, TAKE OR RECEIVE ANY MONEY, GOODS OR SERVICES AS INTEREST ON THE
19 EXTENSION OF CREDIT AT A RATE EXCEEDING THE RATE PRESCRIBED PURSUANT TO
20 SUBDIVISION TWO OF THIS SECTION.
21 S 2. This act shall take effect on the thirtieth day after it shall
22 have become a law.

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

LBD05870-01-1