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

7616

2011-2012 Regular Sessions

I N A S S E M B L Y

May 11, 2011

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

AN ACT to amend the general business law, in relation to notice of delinquency requirements

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

Section 1. Section 600 of the general business law is amended by adding a new subdivision 4 to read as follows:

4. "CO-SIGNER" MEANS A NATURAL PERSON WHO (I) IN THE CASE OF A CONSUMER CREDIT TRANSACTION BECOMES OBLIGATED ON THE TRANSACTION AS A CO-SIGNER, CO-MAKER, GUARANTOR, ENDORSER OR SURETY, BUT WHO DOES NOT RECEIVE THE PROPERTY, SERVICES, OR MONEY THAT IS THE SUBJECT OF THE TRANSACTION. THE TERM DOES NOT INCLUDE A SELLER, HOLDER OR LENDER WHO BECOMES OBLIGATED TO AN ASSIGNEE OF SUCH PARTY'S RIGHTS; OR (II) IN THE CASE OF A CONSUMER CREDIT ACCOUNT BECOMES OBLIGATED UNDER THE AGREEMENT AS A CO-SIGNER, CO-MAKER, GUARANTOR, ENDORSER OR SURETY WITH RESPECT EITHER TO ALL PURCHASES AND LOANS, OR A SPECIFIED MAXIMUM DOLLAR AMOUNT OF PURCHASES AND LOANS THAT WILL BE OBTAINED FROM TIME TO TIME PURSUANT TO THE AGREEMENT WHETHER OR NOT IT IS CONTEMPLATED THAT THE CO-SIGNER MAY RECEIVE ANY OF THE PROPERTY, SERVICES OR MONEY TO BE OBTAINED. THE TERM DOES NOT INCLUDE A SELLER, HOLDER OR LENDER WHO BECOMES OBLIGATED TO AN ASSIGNEE OF SUCH PARTY'S RIGHTS OR A JOINT APPLICANT FOR CREDIT WHO IS INTENDED TO BE PRIMARILY LIABLE UNDER THE AGREEMENT.

S 2. The general business law is amended by adding a new section 601-a to read as follows:

S 601-A. NOTICE OF DELINQUENCY. EVERY PRINCIPAL CREDITOR OR HIS OR HER AGENT SHALL SEND A NOTICE TO THE LAST KNOWN ADDRESS OF THE DEBTOR ADVISING THE DEBTOR OF A DELINQUENCY ON HIS OR HER ACCOUNT. A COPY OF SUCH NOTICE SHALL ALSO BE SENT TO THE CO-SIGNER OF SUCH ACCOUNT.

S 3. 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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