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

S. 3756 A. 5934

2011-2012 Regular Sessions

S E N A T E - A S S E M B L Y

March 3, 2011

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

IN ASSEMBLY -- Introduced by M. of A. DINOWITZ, GALEF, HOOPER -- Multi-Sponsored by -- M. of A. BRENNAN, CLARK, GIGLIO, GLICK, WEISENBERG -- read once and referred to the Committee on Consumer Affairs and Protection

AN ACT to amend the general business law, in relation to prohibiting mailing of credit card applications to persons under twenty-one years of age

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

Section 1. The opening paragraph and subdivision 9 of section 520 of the general business law, the opening paragraph as added by chapter 200 of the laws of 1987 and subdivision 9 as added by chapter 485 of the laws of 1996, are amended and three new subdivisions 10, 11 and 12 are added to read as follows:

[Any] EXCEPT AS PROVIDED IN SUBDIVISION TEN OF THIS SECTION, ANY application form or preapproved written solicitation to enter into a credit card agreement for personal, family, or household purposes which is mailed to an individual residing in this state on or after January first, nineteen hundred eighty-eight, by or on behalf of [a] AN issuer, whether or not the issuer is located in this state, other than an application form or solicitation included in a magazine, newspaper, or other publication distributed by someone other than the issuer, and, any application primarily for a credit card to be used for personal, family or household purposes which is distributed or made available in this state to a resident of this state on or after January first, nineteen hundred eighty-eight in an office or other place of business owned or operated by the issuer, shall contain the following disclosures in chart

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

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form and shall put chart headings in bold face type of at least ten point in size and material inside the chart of at least eight point type in size. Such chart shall use substantially the same format and terminology shown below. In completing the chart with the information required for each category, the guidelines hereinafter contained in the corresponding subdivisions numbered one through four shall be utilized:

Annual Percentage Rate (1)	Variable Rate Index and Spread (1a)	Annualized Membership Fee (2)	Grace Period for Purchases (3)	Cash Advance Fee, Transaction Fee, Late Fee, and Over-the-Limit Fees(4)

(9) [Any] EXCEPT AS PROVIDED IN SUBDIVISION TEN OF THIS SECTION, ANY application form or preapproved written solicitation to enter into a retail installment credit agreement in which the retail seller or financing agency may take or retain a purchase money security interest, as set forth in paragraph (c) of subdivision twelve of section four hundred thirteen of the personal property law, which is mailed or otherwise made available to an individual residing in this state on or after the effective date of this subdivision, by or on behalf of an issuer, whether or not the issuer is located in this state, other than an application form or solicitation included in a magazine, newspaper, or other publication distributed by someone other than the issuer, shall contain a clear and conspicuous written notice or disclosure to the buyer that the retail seller or financing agency has or may retain a security interest in merchandise covered under paragraph (c) of subdivision twelve of section four hundred thirteen of the personal property law until the full payment price of said merchandise is paid. Further provided, however, in all instances, said written notice must be provided to any buyer prior to the first transaction made under any such retail installment credit agreement in which a security interest has been or may be taken or retained.

(10) EXCEPT AS PROVIDED IN SUBDIVISION TWELVE OF THIS SECTION, IT SHALL BE UNLAWFUL FOR ANY FINANCIAL INSTITUTION, RETAIL MERCHANT OR OTHER PERSON TO MAIL OR OTHERWISE DELIVER ANY CREDIT CARD APPLICATION, PREAPPROVED WRITTEN SOLICITATION OR CREDIT CARD IN THIS STATE TO ANY PERSON UNDER TWENTY-ONE YEARS OF AGE.

(11) UPON CONVICTION OF A VIOLATION OF THIS SECTION, A FINE OF NO MORE THAN ONE THOUSAND DOLLARS PER OCCURRENCE SHALL BE IMPOSED.

(12) THIS SECTION SHALL NOT APPLY TO ANY CREDIT CARD APPLICATION, PREAPPROVED WRITTEN SOLICITATION OR CREDIT CARD WHEN MAILED OR OTHERWISE DELIVERED EITHER:

(A) IN RESPONSE TO A REQUEST OR APPLICATION FOR A CREDIT CARD; OR

(B) AS A REPLACEMENT FOR A CREDIT CARD PREVIOUSLY ISSUED TO THE PERSON TO WHOM THE CREDIT CARD IS SHIPPED OR MAILED.

S 2. This act shall take effect on the one hundred eightieth day after it shall have become a law.