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

3533

2011-2012 Regular Sessions

I N A S S E M B L Y

January 25, 2011

Introduced by M. of A. P. RIVERA -- Multi-Sponsored by -- M. of A. COOK, JACOBS, ORTIZ -- read once and referred to the Committee on Ways and Means

AN ACT to amend the banking law and the personal property law, in relation to authorizing licensed lenders to issue credit cards and act as financing agencies

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

Section 1. The banking law is amended by adding a new section 351-a to read as follows:

S 351-A. CREDIT CARDS AUTHORIZED. IN PURSUANCE OF THE AUTHORITY GRANTED PURSUANT TO THIS ARTICLE, LICENSED LENDERS SHALL BE EMPOWERED TO ISSUE CREDIT CARDS, EXTEND CREDIT IN CONNECTION THEREWITH, OTHERWISE ENGAGE IN OR PARTICIPATE IN CREDIT CARD OPERATIONS, PURSUANT TO AND AS PROVIDED IN ARTICLE TEN OF THE PERSONAL PROPERTY LAW, AND TO ACT AS FINANCING AGENCIES AS DEFINED IN SUBDIVISION NINE OF SECTION THREE HUNDRED ONE AND SUBDIVISION EIGHTEEN OF SECTION FOUR HUNDRED ONE OF THE PERSONAL PROPERTY LAW.

S 2. Subdivision 9 of section 301 of the personal property law, as amended by chapter 883 of the laws of 1980, is amended to read as follows:

9. "Financing agency" means a person engaged, in whole or in part, in the business of purchasing retail instalment contracts from one or more retail sellers. The term includes but is not limited to a bank, trust company, savings bank, savings and loan association, private banker, LICENSED LENDER AS DEFINED UNDER ARTICLE NINE OF THE BANKING LAW, or investment company, if so engaged. The term also includes a retail seller engaged, in whole or in part, in the business of holding retail instalment contracts acquired from retail buyers.

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

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S 3. Subdivision 18 of section 401 of the personal property law, as amended by chapter 883 of the laws of 1980, is amended to read as follows:

18. "Financing agency" means a person engaged in this state, in whole or in part, in the business of purchasing retail instalment contracts, obligations or credit agreements or indebtedness of buyers under credit agreements from one or more retail sellers or entering into credit agreements with retail buyers as provided in subdivision eleven of section four hundred thirteen of this article but shall not include a retail seller. The term includes but is not limited to a bank, trust company, savings bank, savings and loan association, private banker, LICENSED LENDER AS DEFINED UNDER ARTICLE NINE OF THE BANKING LAW, or investment company, if so engaged, but shall not include a retail seller.

S 4. This act shall take effect immediately.