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

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2013-2014 Regular Sessions

I N A S S E M B L Y

(PREFILED)

January 9, 2013

Introduced by M. of A. HEASTIE -- read once and referred to the Committee on Banks

AN ACT to amend the banking law, in relation to requiring banks to disclose any negative consequences an alternative loan payment schedule may have on credit scores

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 129-a to read as follows:

S 129-A. REQUIREMENT OF DISCLOSURE; ALTERNATIVE PAYMENT SCHEDULES. IN THE EVENT THAT ANY BANK OR TRUST COMPANY SHALL PERMIT A CUSTOMER TO ESTABLISH AN ALTERNATIVE PAYMENT SCHEDULE FOR AN EXISTING LOAN, THE BANK OR TRUST COMPANY SHALL PROVIDE WRITTEN DISCLOSURE OF ANY NEGATIVE CONSEQUENCES SUCH ALTERNATIVE PAYMENT SCHEDULE MAY HAVE ON SUCH CUSTOMER'S CREDIT SCORE OR RATING. SUCH DISCLOSURE SHALL BE PROVIDED AT THE TIME A LOAN APPLICATION IS MADE, AT THE TIME A LOAN IS GRANTED AND AT THE TIME A CUSTOMER REQUESTS THAT AN ALTERNATIVE PAYMENT SCHEDULE BE ESTABLISHED FOR A LOAN, BUT PRIOR TO THE ACTUAL ESTABLISHMENT OF AN ALTERNATIVE PAYMENT SCHEDULE.

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

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

LBD04935-01-3