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

10440

I N A S S E M B L Y

May 27, 2016

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

AN ACT in relation to requiring a study and report on online lending products and platforms available to small businesses in New York state; and providing for the repeal of such provisions upon expiration thereof

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

Section 1. 1. The superintendent of financial services shall study and issue a report on online small business lending products and platforms that originate from lenders licensed by New York state or advertised to small businesses within New York state. Such study shall address, but not be limited to the following issues:

(a) whether online lenders are offering credit at reasonable and transparent interest rates and charging reasonable and transparent fees and payment terms;

(b) whether lenders offer inclusive and non-discriminatory credit access and observe fair lending practices;

(c) what type of underwriting is conducted before issuing credit;

(d) whether lenders report loan repayment information to major credit bureaus and consult the borrower's credit data when underwriting a loan;

(e) whether lenders are offering small businesses the opportunity for further financial and business planning and the opportunity to establish a more traditional, long-term banking access to credit; and

(f) a review of any other products or practices the superintendent deems relevant to small business access to capital.

2. Such report shall be made to the governor, the speaker of the assembly and the temporary president of the senate no later than January 1, 2018.

3. The superintendent of financial services may request, and is authorized to receive, any information from any state agencies that is relevant and material to the completion of this study and report. Such information shall be subject to the same requirements for confidentiali-

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

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ty and limitations of use, if any, as are applicable to such state agency's use of such information.

S 2. This act shall take effect immediately and shall expire and be deemed repealed January 1, 2018.