

1152

2015-2016 Regular Sessions

I N   A S S E M B L Y

January 8, 2015

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Introduced by M. of A. DINOWITZ, WEPRIN -- read once and referred to the  
Committee on Judiciary

AN ACT to amend the general obligations law, in relation to requirements  
for the use of plain language in consumer transactions

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

1     Section 1. The closing paragraph of subdivision a of section 5-702 of  
2     the general obligations law, as amended by chapter 1 of the laws of  
3     1994, is amended to read as follows:  
4     Any creditor, seller or lessor who fails to comply with this subdivi-  
5     sion shall be liable to a consumer who is a party to a written agreement  
6     governed by this subdivision in an amount equal to any actual damages  
7     sustained plus a penalty of fifty dollars. The total class action penal-  
8     ty against any such creditor, seller or lessor shall not exceed ten  
9     thousand dollars in any class action or series of class actions arising  
10    out of the use by a creditor, seller or lessor of an agreement which  
11    fails to comply with this subdivision. No action under this subdivision  
12    may be brought after both parties to the agreement have fully performed  
13    their obligation under such agreement, nor shall any creditor, seller or  
14    lessor who attempts in good faith to comply with this subdivision be  
15    liable for such penalties. This subdivision shall not apply to a good  
16    faith attempt to describe the constant yield or other method of deter-  
17    mining the lease charge and depreciation portions of each base rental  
18    payment under a lease of personal property. It also shall not apply to  
19    agreements involving amounts in excess of TWO HUNDRED fifty thousand  
20    dollars nor prohibit the use of words or phrases or forms of agreement  
21    required by state or federal law, rule or regulation or by a govern-  
22    mental instrumentality.  
23    S 2. This act shall take effect on the one hundred eightieth day after  
24    it shall have become a law and shall apply to any contract entered into  
25    after such effective date.

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

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