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

7930--A

2015-2016 Regular Sessions

I N A S S E M B L Y

June 1, 2015

Introduced by M. of A. DINOWITZ -- read once and referred to the Committee on Consumer Affairs and Protection -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the personal property law, in relation to loan assignees

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

Section 1. Subdivision 9 of section 302 of the personal property law, as amended by chapter 643 of the laws of 1978, is amended to read as follows:

9. (A) No retail instalment contract shall contain any provision by which the buyer agrees not to assert against an assignee a claim or defense arising out of the sale or require or entail the execution of any note or series of notes, which when separately negotiated will cut off as to third parties any right of action or defense which the buyer may have against the seller. The assignee of a retail installment contract or obligation shall be subject to all claims and defenses of the buyer against the seller arising from the sale notwithstanding any agreement to the contrary, but the assignee's liability under this subdivision shall not exceed the amount owing to the assignee at the time the claim or defense is asserted against the assignee.

(B) LIMITATIONS ON ASSIGNEE LIABILITY REFERRED TO IN PARAGRAPH (A) OF THIS SUBDIVISION SHALL BE EXCLUSIVE OF ANY REASONABLE COSTS AND ATTORNEY'S FEES THE COURT MAY AWARD.

S 2. This act shall take effect on the first of January next succeeding the date on which it shall have become a law.

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

LBD10906-05-5