

6853--A

I N S E N A T E

February 29, 2016

Introduced by Sen. RANZENHOFER -- read twice and ordered printed, and when printed to be committed to the Committee on Consumer Protection -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the general business law and the banking law, in relation to prohibiting a consumer reporting agency or lender from using certain information to determine an individual's credit worthiness

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

1 Section 1. Section 380-a of the general business law is amended by  
2 adding a new subdivision (u) to read as follows:

3 (U) THE TERM "MEMBERS OF A CONSUMER'S SOCIAL NETWORK" MEANS A GROUP OF  
4 INDIVIDUALS AUTHORIZED BY A CONSUMER TO BE PART OF HIS OR HER SOCIAL  
5 MEDIA COMMUNICATIONS AND NETWORK.

6 S 2. Section 380-j of the general business law is amended by adding a  
7 new subdivision (h) to read as follows:

8 (H) NO CONSUMER REPORTING AGENCY SHALL COLLECT, EVALUATE, REPORT, OR  
9 MAINTAIN IN THE FILE ON A CONSUMER THE CREDIT WORTHINESS, CREDIT STAND-  
10 ING OR CREDIT CAPACITY OF MEMBERS OF THE CONSUMER'S SOCIAL NETWORK FOR  
11 PURPOSES OF DETERMINING THE CREDIT WORTHINESS OF THE CONSUMER; THE AVER-  
12 AGE CREDIT WORTHINESS, CREDIT STANDING OR CREDIT CAPACITY OF MEMBERS OF  
13 THE CONSUMER'S SOCIAL NETWORK; OR ANY GROUP SCORE THAT IS NOT THE  
14 CONSUMER'S OWN CREDIT WORTHINESS, CREDIT STANDING OR CREDIT CAPACITY.  
15 THE PROVISIONS OF THIS SUBDIVISION SHALL BE ENFORCED CONCURRENTLY BY THE  
16 SUPERINTENDENT OF FINANCIAL SERVICES AND THE DIRECTOR OF THE DIVISION OF  
17 CONSUMER PROTECTION AND EACH SHALL UTILIZE THEIR CONSUMER COMPLAINT AND  
18 ASSISTANCE HOTLINES TO DOCUMENT COMPLAINTS BY CONSUMERS WHO BELIEVE THAT  
19 GROUP CREDIT RATINGS OF THEIR SOCIAL MEDIA NETWORK ARE BEING USED TO  
20 DENY THEM CREDIT.

21 S 3. Section 2 of the banking law is amended by adding a new subdivi-  
22 sion 30 to read as follows:

23 30. MEMBERS OF A BORROWER'S SOCIAL NETWORK. THE TERM "MEMBERS OF A  
24 BORROWER'S SOCIAL NETWORK" MEANS A GROUP OF INDIVIDUALS AUTHORIZED BY A

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

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1 BORROWER TO BE PART OF HIS OR HER SOCIAL MEDIA COMMUNICATIONS AND  
2 NETWORK.

3 S 4. Section 352 of the banking law is amended by adding a new sixth  
4 undesignated paragraph to read as follows:

5 NO LICENSEE SHALL COLLECT, EVALUATE, REPORT OR MAINTAIN IN THE FILE ON  
6 A BORROWER THE CREDIT WORTHINESS, CREDIT STANDING OR CREDIT CAPACITY OF  
7 MEMBERS OF THE BORROWER'S SOCIAL NETWORK FOR PURPOSES OF DETERMINING THE  
8 CREDIT WORTHINESS OF THE BORROWER; THE AVERAGE CREDIT WORTHINESS, CREDIT  
9 STANDING OR CREDIT CAPACITY OF MEMBERS OF THE BORROWER'S SOCIAL NETWORK;  
10 OR ANY GROUP SCORE THAT IS NOT THE BORROWER'S OWN CREDIT WORTHINESS,  
11 CREDIT STANDING OR CREDIT CAPACITY. THE PROVISIONS OF THIS PARAGRAPH  
12 SHALL BE ENFORCED CONCURRENTLY BY THE SUPERINTENDENT AND THE DIRECTOR OF  
13 THE DIVISION OF CONSUMER PROTECTION AND EACH SHALL UTILIZE THEIR CONSUM-  
14 ER COMPLAINT AND ASSISTANCE HOTLINES TO DOCUMENT COMPLAINTS BY BORROWERS  
15 WHO BELIEVE THAT GROUP CREDIT RATINGS OF THEIR SOCIAL MEDIA NETWORK ARE  
16 BEING USED TO DENY THEM CREDIT. THE SUPERINTENDENT SHALL ENSURE THAT THE  
17 CREDIT SCORING FORMULAS FILED WITH THE DEPARTMENT DO NOT CONTAIN VARI-  
18 ABLES WHICH ACCOUNT FOR INTERNET VIEWING HISTORY AS PART OF THAT FORMULA  
19 BY ASKING THE LICENSEE TO CERTIFY TO THAT FACT.

20 S 5. This act shall take effect immediately.