

STATE OF NEW YORK

5920

2017-2018 Regular Sessions

IN SENATE

May 5, 2017

Introduced by Sen. SAVINO -- read twice and ordered printed, and when printed to be committed to the Committee on Banks

AN ACT to amend the banking law, in relation to enacting the "community financial services access and modernization act of 2017"; and providing for the repeal of certain provisions upon expiration thereof

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Short title. This act shall be known as and may be cited as
2 the "community financial services access and modernization act of 2017".
3 § 2. Paragraph (b) of subdivision 5 of section 18-a of the banking
4 law, as amended by chapter 155 of the laws of 2012, is amended to read
5 as follows:

6 (b) two thousand dollars when the application relates to the licensing
7 of an additional location or change of location or the licensing of a
8 [~~mobile unit~~] limited station of a licensed [~~cashier of checks~~] finan-
9 cial services provider; or

10 § 3. Section 366 of the banking law, as amended by chapter 49 of the
11 laws of 1961, subdivision 1 as amended by chapter 849 of the laws of
12 1964 and as further amended by section 104 of part A of chapter 62 of
13 the laws of 2011, subdivisions 2 and 3 as renumbered by chapter 132 of
14 the laws of 1969, is amended to read as follows:

15 § 366. Definitions. When used in this article. 1. The term "licensed
16 [~~cashier of checks~~] financial services provider" means any [~~individual,~~
17 ~~partnership, unincorporated association or corporation~~] person duly
18 licensed by the superintendent of financial services to engage in busi-
19 ness pursuant to the provisions of this article.

20 2. The term "licensee" means a person licensed [~~cashier of checks,~~
21 ~~drafts and/or money orders~~] to provide financial services regulated by
22 this article.

23 3. The term [~~"mobile unit"~~] "limited station" means any vehicle or
24 other movable means from which the business of [~~cashing checks, drafts~~

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

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~~ex money orders~~] providing financial services regulated by this article
is to be conducted.

4. The term "person" means any individual or other legal entity, including any corporation, partnership, association or limited liability company.

5. The term "financial services" means offering or providing any of the following financial products or services: (a) the cashing of checks, drafts and/or money orders,

(b) money transmission services as defined in article thirteen-B of this chapter, provided, however, a licensed financial services provider offering money transmission pursuant to article thirteen-B of this chapter, other than as an agent of a licensee, shall first obtain a license under that article,

(c) bill payment services,

(d) the sale of prepaid debit cards, and

(e) the dispensing of mass transit fare cards, or such other medium or mechanism for the dispensing of mass transit fares.

6. The term "master license" shall mean an original license issued by the superintendent that authorizes a person to engage in the business of cashing of checks and related financial services, and in the case of a licensee who has multiple licensed business locations at the time of the effective date of this subdivision, the initial longest site continuously licensed under this article.

7. The term "supplemental license" shall mean a license issued by the superintendent that authorizes a person having a master license to engage in the business of cashing of checks and related financial services at branch locations, and in the case of a licensee who has multiple licensed business locations at the time of the effective date of this subdivision, any license issued to an existing licensee after the license for the original site.

§ 4. Section 367 of the banking law, as amended by chapter 151 of the laws of 1945, subdivision 3 as amended by section 7 of part D-1 of chapter 109 of the laws of 2006, subdivision 4 as amended by chapter 96 of the laws of 1981, is amended to read as follows:

§ 367. License requirements; fees; capital requirements. 1. No person~~[, partnership, association or corporation]~~ shall engage in the business of cashing checks, drafts or money orders for a consideration without first obtaining a license from the superintendent.

2. Application for such license shall be in writing, under oath, and in the form prescribed by the superintendent, and shall contain the name, and the address both of the residence and place of business, of the applicant, and if the applicant is a co-partnership ~~[ex]~~, association or limited liability company, of every member thereof, and if a corporation, of each officer and director thereof; also, if the business is to be conducted at a specific address, the address at which the business is to be conducted, and if the business is to be conducted from a ~~[mobile-unit]~~ limited station, the New York state registration number or other identification of such ~~[mobile-unit]~~ limited station and the area in which the applicant proposes to operate such ~~[mobile-unit]~~ limited station; and also such further information as the superintendent may require.

3. Such applicant at the time of making such application shall pay to the superintendent a fee as prescribed pursuant to section eighteen-a of this chapter for investigating the application. An application for a master license shall be in writing, under oath, and in the form prescribed by the superintendent and shall contain such information as

the superintendent may require by regulation. The application shall set forth all of the locations at which the applicant seeks to conduct business hereunder. At the time of making the application for a master license, an existing licensee under this article shall pay to the superintendent the sum of two hundred fifty dollars for each proposed location as a fee for investigating the application. An applicant that does not currently hold a license under this article at the time of application shall pay to the superintendent an application fee as provided in this chapter for initial applications.

Any licensee requesting a change of address, shall at the time of making such request, pay to the superintendent a fee as prescribed pursuant to section eighteen-a of this chapter for investigating the new address; provided, however, that the superintendent may, in his or her discretion, waive such investigation fee if warranted, and provided further, that no fee shall be payable for the relocation of a limited station.

4. Every applicant shall prove, in form satisfactory to the superintendent that he or it has available for the operation of such business, for each location and for each ~~[mobile unit]~~ limited station specified in the application, liquid assets of at least ten thousand dollars, and every licensee shall continuously maintain for the operation of such business for each location and for each ~~[mobile unit]~~ limited station liquid assets of at least ten thousand dollars. Notwithstanding the foregoing provisions of this subdivision, the superintendent, upon application by an applicant and for good cause shown, may permit a reduction from ten thousand dollars to not less than five thousand dollars of minimum liquid assets required for each location.

§ 5. Section 369 of the banking law, as amended by chapter 151 of the laws of 1945, subdivision 1 as amended by chapter 233 of the laws of 2005, subdivisions 4 and 5 as amended by chapter 132 of the laws of 1969, subdivision 6 as amended by chapter 164 of the laws of 2003, paragraph (b) of subdivision 6 as amended by section 6 of part LL of chapter 56 of the laws of 2010, and subdivision 7 as added by chapter 485 of the laws of 1947, is amended to read as follows:

§ 369. Conditions precedent to issuing license; issuance and filing of license; posting license. 1. If the superintendent shall find that the financial responsibility, experience, character, and general fitness of the applicant, and of the members thereof if the applicant be a co-partnership ~~[or]~~, association or limited liability company, and of the officers and directors thereof if the applicant be a corporation, are such as to command the confidence of the community and to warrant belief that the business will be operated honestly, fairly, and efficiently within the purposes of this article, and if the superintendent shall find that the granting of such application will promote the convenience and advantage of the area in which such business is to be conducted, and if the superintendent shall find that the applicant has available for the operation of such business for each location and for each ~~[mobile unit]~~ limited station specified in the application liquid assets of at least ten thousand dollars, the superintendent shall thereupon execute a master license and if applicable one or more supplemental licenses in duplicate to permit the ~~[cashing of checks, drafts and money orders]~~ delivery of financial services in accordance with the provisions of this article at the location or locations or in the area or areas specified in such application. In finding whether the application will promote the convenience and advantage to the public, the superintendent shall determine whether there is a community need for a new licensee in the proposed area or areas to be served. No license shall be issued to an

1 applicant for a license, at a location to be licensed which is closer
2 than one thousand five hundred eighty-four feet (three-tenths of a mile)
3 from an existing licensee, except with the written consent of such
4 existing licensee or pursuant to subdivision three of section three
5 hundred seventy of this article, subject to any restriction or condition
6 as the superintendent may promulgate by regulation; provided, however,
7 the superintendent may permit a location to be licensed that is closer
8 than three-tenths of a mile from an existing licensee provided such
9 applicant engages in the cashing of checks, drafts or money orders only
10 for payees of such checks, drafts or money orders that are other than
11 natural persons at the location to be licensed and such applicant was
12 engaged in the cashing of such checks, drafts or money orders for payees
13 that are other than natural persons at such location on or before the
14 fourteenth day of July, two thousand four, and provided further that
15 upon licensing any such location by the superintendent, such license as
16 it pertains solely to such location shall not be affected thereafter by
17 any change of control of such license pursuant to section three hundred
18 seventy-a of this article, provided that the licensee continues there-
19 after to engage at that location in the cashing of checks, drafts or
20 money orders only for payees that are other than natural persons and
21 provided further that such license shall bear a legend stating that such
22 location is restricted to the cashing of checks, drafts or money orders
23 only for payees that are other than natural persons. The three-tenths of
24 a mile distance requirement as set forth in this section shall not apply
25 in cases where the existing licensee is a restricted location as author-
26 ized in the preceding sentence, or is any other licensed location that
27 engages solely in the cashing of checks, drafts or money orders only for
28 payees that are other than natural persons. For purposes of this
29 section, such distance shall be measured on a straight line along the
30 street between the nearest point of the store fronts of the check cash-
31 ing facilities. The primary business of the licensee, at the location to
32 be licensed, shall be financial services. The superintendent shall tran-
33 smit one copy of such license to the applicant and file another in the
34 office of the department. Notwithstanding the foregoing provisions of
35 this subdivision, the superintendent, upon application by an applicant
36 and for good cause shown, may permit a reduction from ten thousand
37 dollars to not less than five thousand dollars of minimum liquid assets
38 required for each location.

39 2. Such license shall state the name of the licensee; and if the
40 licensee is a co-partnership ~~[or]~~, association, or limited liability
41 company, the names of the members thereof; and if the licensee is a
42 corporation, the date of its incorporation; and if the business is to be
43 conducted at a specific address, the address at which such business is
44 to be conducted; and if the business is to be conducted through the use
45 of a ~~[mobile-unit]~~ limited station, the New York state registration
46 number or other identification of such ~~[mobile-unit]~~ limited station and
47 the area in which such ~~[mobile-unit]~~ limited station is authorized to do
48 business.

49 3. ~~[Such license]~~ All licenses issued by the superintendent shall be
50 kept conspicuously posted in the place of business of the licensee or,
51 in the case of a ~~[mobile-unit]~~ limited station, upon such ~~[mobile-unit]~~
52 limited station. Such license shall not be transferable or assignable.

53 4. Such license shall remain in full force and effect until it is
54 surrendered by the licensee or revoked or suspended as provided in this
55 article. In the case of a change of control of a location or a business
56 licensed hereunder, the licensee approved to acquire the business or

1 location may utilize a true copy of the existing license pending the
2 issuance of a new license by the superintendent.

3 5. If the superintendent shall find that the applicant fails to meet
4 any of the conditions set forth in subdivision one of this section, he
5 or she shall not issue such license, and he or she shall notify the
6 applicant of the denial. If an application is denied or withdrawn, the
7 superintendent shall retain the investigation fee to cover the costs of
8 investigating the application and return the license fee to the appli-
9 cant.

10 6. The superintendent may refuse to issue a license pursuant to this
11 article if he or she shall find that the applicant, or any person who is
12 a director, officer, partner, agent, employee or substantial stockholder
13 of the applicant, (a) has been convicted of a crime in any jurisdiction
14 or (b) is associating or consorting with any person who has, or persons
15 who have, been convicted of a crime or crimes in any jurisdiction or
16 jurisdictions; provided, however, that the superintendent shall not
17 issue such a license if he or she shall find that the applicant, or any
18 person who is a director, officer, partner, agent, employee or substan-
19 tial stockholder of the applicant, has been convicted of a felony in any
20 jurisdiction or of a crime which, if committed within this state, would
21 constitute a felony under the laws thereof. For the purposes of this
22 article, a person shall be deemed to have been convicted of a crime if
23 such person shall have pleaded guilty to a charge thereof before a court
24 or magistrate, or shall have been found guilty thereof by the decision
25 or judgment of a court or magistrate or by the verdict of a jury, irre-
26 spective of the pronouncement of sentence or the suspension thereof,
27 unless such plea of guilty, or such decision, judgment or verdict, shall
28 have been set aside, reversed or otherwise abrogated by lawful judicial
29 process or unless the person convicted of the crime shall have received
30 a pardon therefor from the president of the United States or the gover-
31 nor or other pardoning authority in the jurisdiction where the
32 conviction was had, or shall have received a certificate of relief from
33 disabilities or a certificate of good conduct pursuant to article twen-
34 ty-three of the correction law to remove the disability under this arti-
35 cle because of such conviction. The term "substantial stockholder," as
36 used in this subdivision, shall be deemed to refer to a person owning or
37 controlling ten per centum or more of the total outstanding stock of the
38 corporation in which such person is a stockholder. In making a determi-
39 nation pursuant to this subdivision, the superintendent shall require
40 fingerprinting of the applicant. Such fingerprints shall be submitted to
41 the division of criminal justice services for a state criminal history
42 record check, as defined in subdivision one of section three thousand
43 thirty-five of the education law, and may be submitted to the federal
44 bureau of investigation for a national criminal history record check.

45 7. No license pursuant to this article shall be issued to any appli-
46 cant to do business at the place specified in the application as the
47 place where the business is to be conducted if, within the twelve months
48 preceding such application, a license to engage in business pursuant to
49 this article at such place shall have been revoked.

50 § 6. Section 370 of the banking law, as amended by chapter 151 of the
51 laws of 1945, subdivision 2 as amended by section 38 of part 0 of chap-
52 ter 59 of the laws of 2006 and subdivision 3 as amended by chapter 703
53 of the laws of 2006, is amended to read as follows:

54 § 370. Restrictions as to place or area of doing business; establish-
55 ment of stations; change of location. 1. No more than one place of busi-
56 ness or one [~~mobile-unit~~] limited station shall be maintained under the

1 same license; provided, however, that more than one license may be
2 issued to the same licensee [~~upon compliance with the provisions of this~~
3 ~~article for each new license~~] and if the superintendent determines that
4 an existing licensee is in good standing and in compliance with the
5 provisions of this article, a subsequent application for a second or
6 multiple supplemental licenses at different, separate and additional
7 locations shall be expedited by the superintendent provided the minimum
8 liquidity requirements and community need criteria set forth in section
9 three hundred sixty-nine of this article have been demonstrated in the
10 application for the additional location or locations.

11 2. Any licensed [~~cashier of checks~~] financial services provider may
12 open and maintain, within this state, one or more limited stations for
13 the purpose of cashing checks, drafts or money orders for the particular
14 group or groups specified in the license authorizing each such station.
15 Such stations shall be licensed pursuant to and be subject to all the
16 provisions of this chapter applicable to licensed cashers of checks,
17 except that (a) [~~such station shall not be subject to the distance limi-~~
18 ~~tation set forth in subdivision one of section three hundred sixty-nine~~
19 ~~of this article, (b)~~] the fee for investigating the application for a
20 station shall be as prescribed pursuant to section eighteen-a of this
21 chapter, and [~~(a)~~] (b) where such a station is at the premises of a
22 specified employer for the purpose of cashing checks, drafts and money
23 orders for the employees of such employer, the fees and charges for
24 cashing such checks, drafts or money orders shall not be subject to the
25 limitations of subdivision one of section three hundred seventy-two of
26 this article if such fees and charges are paid by such employer.

27 3. A licensee may make a written application to the superintendent for
28 leave to change his or her place of business, or in the case of a
29 [~~mobile unit~~] limited station, the area in which such unit is authorized
30 to be operated, stating the reasons for such proposed change and in the
31 case where the applicant currently holds a master license to operate a
32 business established under this article, the superintendent shall
33 streamline and reduce the information required from such applicant. Such
34 application may be approved for relocation from a site within three-
35 tenths of a mile of another licensee to another site within three-tenths
36 of a mile of such other licensee provided that such new site is farther
37 from such existing licensee than the site from which permission to relo-
38 cate is sought. Only in situations in which a licensee seeks to change
39 its place of business due to extraordinary circumstances, as may be
40 determined by the superintendent pursuant to regulations, may the super-
41 intendent, in his or her discretion, determine that an application may
42 be approved for relocation from a site within three-tenths of a mile of
43 another licensee to a new site which is closer to such existing licensee
44 than the site from which permission to relocate is sought. Notwithstand-
45 ing any other provision of this subdivision, a licensee may relocate
46 from any location to a location that is within three-tenths of a mile
47 from another licensee with the written consent of the other licensee. If
48 the superintendent approves such application he or she shall issue a new
49 license in duplicate in accordance with the provisions of section three
50 hundred sixty-nine of this article, stating the new location of such
51 licensee or, in the case of a [~~mobile unit~~] limited station, the new
52 area in which such [~~mobile unit~~] limited station may be operated.

53 § 7. Section 370-a of the banking law, as added by chapter 142 of the
54 laws of 1992, subdivision 1 as amended by section 39 of part O of chap-
55 ter 59 of the laws of 2006, is amended to read as follows:

§ 370-a. Changes in control. 1. It shall be unlawful except with the prior approval of the superintendent for any action to be taken which results in a change of control of the business of a licensee. Prior to any change of control, the person desirous of acquiring control of the business of a licensee, if such person is not already a licensee under this article, shall make written application to the superintendent and pay an investigation fee as prescribed pursuant to section eighteen-a of this chapter to the superintendent. The application shall contain such information as the superintendent, by rule or regulation, may prescribe as necessary or appropriate, and in the case where the acquiring person currently holds a master license to operate a business established under this article, and in the case of a limited station license, the superintendent shall streamline and reduce the information required from such applicant, for the purpose of making the determination required by subdivision two of this section.

2. The superintendent shall approve or disapprove the proposed change of control of a licensee in accordance with the provisions of subdivisions one and six of section three hundred sixty-nine of this article. The superintendent shall approve or disapprove the application in writing within ninety days after the date the application is filed with the superintendent.

3. For a period of six months from the date of qualification thereof and for such additional period of time as the superintendent may prescribe, in writing, the provisions of subdivisions one and two of this section shall not apply to a transfer of control by operation of law to the legal representative, as hereinafter defined, of one who has control of a licensee. Thereafter, such legal representative shall comply with the provisions of subdivisions one and two of this section. The provisions of subdivisions one and two of this section shall be applicable to an application made under such section by a legal representative.

The term "legal representative", for the purposes of this section, shall mean one duly appointed by a court of competent jurisdiction to act as executor, administrator, trustee, committee, conservator or receiver, including one who succeeds a legal representative and one acting in an ancillary capacity thereto in accordance with the provisions of such court appointment.

4. As used in this section: (a) the term "person" includes an individual, partnership, corporation, association, limited liability company, or any other organization, and (b) the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a licensee, whether through the ownership of voting stock of such licensee, the ownership of voting stock of any person which possesses such power or otherwise. Control shall be presumed to exist if any person, directly or indirectly, owns, controls or holds with power to vote ten per centum or more of the voting stock of any licensee or of any person which owns, controls or holds with power to vote ten per centum or more of the voting stock of any licensee, but no person shall be deemed to control a licensee solely by reason of being an officer or director of such licensee or person. The superintendent may in his or her discretion, upon the application of a licensee or any person who, directly or indirectly, owns, controls or holds with power to vote or seeks to own, control or hold with power to vote any voting stock of such licensee, determine whether or not the ownership, control or holding of such voting stock constitutes or would constitute control of such licensee for purposes of this section.

1 § 8. Section 371 of the banking law, as added by chapter 151 of the
2 laws of 1945, is amended to read as follows:

3 § 371. Regulations. The superintendent is hereby authorized and
4 empowered to make such rules and regulations, and such specific rulings,
5 demands, and findings as he or she may deem necessary for the proper
6 conduct of the business authorized and licensed under and for the
7 enforcement of this article, in addition hereto and not inconsistent
8 herewith.

9 § 9. Section 372 of the banking law, as amended by chapter 151 of the
10 laws of 1945, the section heading and subdivision 1 as amended and
11 subdivision 7 as added by chapter 432 of the laws of 2004, subdivisions
12 2, 3 and 4 as added and subdivisions 5 and 6 as renumbered by chapter
13 263 of the laws of 1983, and subdivision 6 as added by chapter 485 of
14 the laws of 1947, is amended to read as follows:

15 § 372. Fees and charges; posting schedule; records and reports. 1. The
16 superintendent shall, by regulation, establish the maximum fees which
17 may be charged by licensees for cashing a check, draft, or money order.
18 No licensee shall charge or collect any sum for cashing a check, draft,
19 or money order in excess of that established by the superintendent's
20 regulations; provided, however, that no maximum fee shall apply to the
21 charging of fees by licensees for the cashing of checks, drafts or money
22 orders for payees of such checks, drafts or money orders that are other
23 than natural persons. The licensee shall pay to every customer tendering
24 any check, draft or money order to be cashed, the entire face amount of
25 such instrument, less any charges permitted by the superintendent, in
26 such form and by such means as agreed upon by the customer on the same
27 date upon which such instrument is presented.

28 2. The schedule of fees and charges permitted under this section shall
29 be conspicuously and continuously posted in every location and [~~mobil~~
30 ~~unit~~] limited station licensed under this article. Whenever a licensee
31 hereunder is authorized under this article to offer other financial
32 services, the posting and signage requirements thereunder shall super-
33 sede other signage requirements under this article.

34 3. In the case of an internet, digital or other electronic advertise-
35 ment or solicitation, a licensee shall be deemed to have fulfilled the
36 disclosure requirements of 3 CRR-NY 400.8 and 406.6 of the superinten-
37 dent's regulations by displaying the disclosures on its website, so long
38 as the advertisement or solicitation includes a link directly to such
39 website.

40 4. No change in fees shall become effective earlier than thirty days
41 after the superintendent shall notify the majority leader of the senate,
42 the speaker of the assembly, and the chairmen of both the senate and
43 assembly committees on banks of his or her intention to change fees.

44 [~~4.~~] 5. The fees in effect immediately prior to the effective date of
45 this subdivision shall continue to be the maximum allowable fees until
46 revised by the superintendent's regulations.

47 [~~5.~~] 6. Each licensee shall keep and use in its business such books,
48 accounts, and records as the superintendent may require to carry into
49 effect the provisions of this article and the rules and regulations made
50 by the superintendent hereunder. Every licensee shall preserve such
51 books, accounts and records for at least two years. A licensee shall be
52 deemed to be in compliance with this requirement if the licensee main-
53 tains all information related to the financial services transactions
54 conducted by said licensee according to the provisions of section thir-
55 ty-six-b of this chapter.

1 ~~[6-]~~ 7. Before a licensee shall deposit with any banking organization,
2 or with any organization engaged in the business of banking, a check,
3 draft or money order cashed by such licensee, the same must be endorsed
4 with the actual name under which such licensee is doing business and
5 must have the words "licensed ~~[casher of checks]~~ financial services
6 provider" legibly written or stamped immediately after or below such
7 name.

8 ~~[7-]~~ 8. Every licensee shall submit to the superintendent, or such
9 person as the superintendent may designate, such suspicious activity
10 reports or currency transaction reports as are required to be submitted
11 to federal authorities pursuant to provisions of the Bank Secrecy Act
12 (subchapter 11, chapter 53, title 31, United States code) and regu-
13 lations and administrative orders related thereto, as amended, within
14 the periods of time as required by such act and regulations. A licensee
15 may submit a copy of any such report to the superintendent, or such
16 person as the superintendent may designate, that is filed with such
17 federal authorities. The superintendent may adopt such regulations or
18 require such additional reports as he or she deems necessary to insure
19 the effective enforcement of this subdivision.

20 § 10. Section 372-a of the banking law, as added by chapter 432 of the
21 laws of 2004, is amended to read as follows:

22 § 372-a. Superintendent authorized to examine. 1. For the purpose of
23 discovering violations of this article or securing information lawfully
24 required in this section, the superintendent may at any time, and as
25 often as may be determined, either personally or by a person duly desig-
26 nated by the superintendent, investigate the ~~[cashing of checks by~~
27 ~~licensees]~~ business practices of a licensee rendering financial services
28 authorized by this article and examine the books, accounts, records, and
29 files used therein of every licensee.

30 2. For the purpose established in subdivision one of this section, the
31 superintendent and his or her duly designated representatives shall have
32 free access to the offices and places of business, books, accounts,
33 papers, records, files, safes and vaults of all such licensees. The
34 superintendent shall have authority to require the attendance of and to
35 examine under oath all persons whose testimony may be required relative
36 to such cashing of checks or such business.

37 § 11. Subdivisions 1 and 2 of section 373 of the banking law, subdivi-
38 sion 1 as amended by chapter 432 of the laws of 2004 and subdivision 2
39 as amended by chapter 132 of the laws of 1969, are amended and a new
40 subdivision 2-a is added to read as follows:

41 1. No licensee shall engage in the business of making loans of money,
42 credit, goods or things or discounting of notes, bills of exchange,
43 checks, or other evidences of debt pursuant to the provisions of article
44 nine of this chapter, nor shall a loan business or the negotiation of
45 loans or the discounting of notes, bills of exchange, checks or other
46 evidences of debt be conducted on the same premises where the licensee
47 is conducting business pursuant to the provisions of this article.
48 Except as otherwise provided by regulation of the superintendent, all
49 checks, drafts and money orders shall be deposited in the licensee's
50 bank account not later than the first business day following the day on
51 which they were cashed. No licensee shall at any time cash or advance
52 any moneys on a post-dated check or draft or engage in the business of
53 transmitting money or receiving money for transmission; provided, howev-
54 er, that a licensee may cash a check ~~[payable on the first banking busi-~~
55 ~~ness day following the date of cashing (a) if such check is drawn by the~~
56 ~~United States, the state of New York, or any political subdivision of~~

1 ~~the state of New York, or by any department, bureau, agency, authority,~~
2 ~~instrumentality or officer, acting in his official capacity, of the~~
3 ~~United States or of the state of New York or of any political subdivi-~~
4 ~~sion of the state of New York, or (b) if such check is a payroll check~~
5 ~~drawn by an employer to the order of its employee in payment for~~
6 ~~services performed by such employee]~~ without regard to the date
7 imprinted on the check as long as the check is deposited in the
8 licensee's bank account not later than the first business day following
9 the day on which it was cashed. No licensee shall cash any check, draft
10 or money order if the face amount for which it is drawn is in excess of
11 [~~fifteen~~] thirty thousand dollars and which amount shall be increased
12 annually by a percentum amount, based upon an increase in the consumer
13 price index for the New York-Northern N.J.-Long Island, NY-NJ-CT-PA area
14 for all urban consumers (annual CPI-U), as reported by the Bureau of
15 Labor Statistics of the U.S. Department of Labor for the calendar year
16 preceding the year in which such increase is made compared to such annu-
17 al CPI-U for the year prior such preceding year; provided, however, that
18 this restriction shall not apply to the cashing of checks, drafts or
19 money orders drawn by the United States, any state thereof or any poli-
20 tical subdivision of any such state, or by any department, bureau, agen-
21 cy, authority, instrumentality or officer, acting in his official capac-
22 ity, of the United States, any state thereof or any political
23 subdivision of any such state, or any [~~banking~~] financial institution,
24 or to any check or draft drawn by or on account of any insurance compa-
25 ny, any check issued on behalf of an insurance company, any broker or
26 dealer registered with the securities and exchange commission, or affil-
27 iate of a broker or dealer, or any attorney [~~for the settlement of~~
28 ~~claims~~], or to any check issued as an advance to a lawsuit or as part of
29 a structured settlement, or to any checks for compensation bonuses under
30 incentive plans, or to any check which has been certified or guaranteed
31 by the banking institution on which it has been drawn, or if such check
32 is drawn on a bona fide workers' compensation fund issued by a third-
33 party payor, or if such check is drawn by an employer from a pension or
34 profit sharing fund, or if such check is drawn by a union from a pension
35 or benefit fund or if such check is drawn by a union, or if such check
36 is from the sale of real property; provided further, however, that any
37 such restriction upon the maximum face amount that may be cashed by a
38 licensee shall not apply to the cashing of checks, drafts or money
39 orders by licensees for payees of such checks, drafts or money orders
40 that are other than natural persons. For purposes of this subdivision,
41 "[~~banking~~] financial institution" means any bank, trust company, savings
42 bank, savings and loan association [~~or~~], credit union or other financial
43 institution which is incorporated, chartered [~~or~~], organized or licensed
44 under the laws of this state or any other state or the United States.

45 2. The superintendent may suspend or revoke any license or licenses
46 issued pursuant to this article if, after notice and a hearing, he or
47 she shall find that the licensee (a) has committed any fraud, engaged in
48 any dishonest activities or made any misrepresentation; or (b) has
49 violated any provisions of the banking law or any regulation issued
50 pursuant thereto, or has violated any other law in the course of its or
51 his dealings as a [~~licensed casher of checks~~] licensee delivering check
52 cashing and related financial services to the public pursuant to this
53 article; or (c) has made a false statement in the application for such
54 license or failed to give a true reply to a question in such applica-
55 tion; or (d) has demonstrated his or its incompetency or untrustworthi-
56 ness to act as a [~~licensed casher of checks~~] licensee delivering finan-

1 cial services to the public pursuant to this article; or (e) is not
2 doing sufficient business pursuant to this article to justify the
3 continuance of the license, or if he or she shall find that any ground
4 or grounds exist which would require or warrant the refusal of an appli-
5 cation for the issuance of the license if such an application were then
6 before him or her. Such a hearing shall be held in the manner and upon
7 such notice as may be prescribed by the superintendent. Pending an
8 investigation or a hearing for the suspension or revocation of any
9 license or licenses issued pursuant to this article, the superintendent
10 may temporarily suspend such license or licenses for a period not to
11 exceed ninety days, provided the superintendent shall find that such a
12 temporary suspension is in the public interest.

13 2-a. A licensee shall be deemed to be in compliance with the require-
14 ments of 3 NYCRR-400.5 (b) (3) provided that the licensee maintains a
15 written policy, approved by the superintendent, designed to mitigate the
16 risk that the licensee will cash any check or draft of any drawer that
17 is likely to be dishonored.

18 § 12. Subdivision 10 of section 36 of the banking law, as amended by
19 chapter 182 of the laws of 2011, is amended to read as follows:

20 10. All reports of examinations and investigations, correspondence and
21 memoranda concerning or arising out of such examination and investi-
22 gations, including any duly authenticated copy or copies thereof in the
23 possession of any banking organization, bank holding company or any
24 subsidiary thereof (as such terms "bank holding company" and "subsidi-
25 ary" are defined in article three-A of this chapter), any corporation
26 or any other entity affiliated with a banking organization within the
27 meaning of subdivision six of this section and any non-banking subsid-
28 iary of a corporation or any other entity which is an affiliate of a
29 banking organization within the meaning of subdivision six-a of this
30 section, foreign banking corporation, licensed lender, licensed [~~cashier~~
31 ~~of checks~~] financial services provider, licensed mortgage banker, regis-
32 tered mortgage broker, licensed mortgage loan originator, licensed sales
33 finance company, registered mortgage loan servicer, licensed insurance
34 premium finance agency, licensed transmitter of money, licensed budget
35 planner, any other person or entity subject to supervision under this
36 chapter, or the department, shall be confidential communications, shall
37 not be subject to subpoena and shall not be made public unless, in the
38 judgment of the superintendent, the ends of justice and the public
39 advantage will be subserved by the publication thereof, in which event
40 the superintendent may publish or authorize the publication of a copy of
41 any such report or any part thereof in such manner as may be deemed
42 proper or unless such laws specifically authorize such disclosure. For
43 the purposes of this subdivision, "reports of examinations and investi-
44 gations, and any correspondence and memoranda concerning or arising out
45 of such examinations and investigations", includes any such materials of
46 a bank, insurance or securities regulatory agency or any unit of the
47 federal government or that of this state any other state or that of any
48 foreign government which are considered confidential by such agency or
49 unit and which are in the possession of the department or which are
50 otherwise confidential materials that have been shared by the department
51 with any such agency or unit and are in the possession of such agency or
52 unit.

53 § 13. Subdivisions 3 and 5 of section 37 of the banking law, as
54 amended by chapter 360 of the laws of 1984, are amended to read as
55 follows:

3. In addition to any reports expressly required by this chapter to be made, the superintendent may require any banking organization, licensed lender, licensed ~~[cashier of checks]~~ financial services provider, licensed mortgage banker, foreign banking corporation licensed by the superintendent to do business in this state, bank holding company and any non-banking subsidiary thereof, corporate affiliate of a corporate banking organization within the meaning of subdivision six of section thirty-six of this article and any non-banking subsidiary of a corporation which is an affiliate of a corporate banking organization within the meaning of subdivision six-a of section thirty-six of this article to make special reports to him or her at such times as he or she may prescribe.

5. The superintendent may extend at his discretion the time within which a banking organization, foreign banking corporation licensed by the superintendent to do business in this state, bank holding company or any non-banking subsidiary thereof, licensed ~~[cashier of checks]~~ financial services provider, licensed mortgage banker, private banker or licensed lender is required to make and file any report to the superintendent.

§ 14. Subdivisions 1, 2, 3 and 5 of section 39 of the banking law, subdivisions 1, 2 and 5 as amended by chapter 123 of the laws of 2009 and subdivision 3 as amended by chapter 155 of the laws of 2012, are amended to read as follows:

1. To appear and explain an apparent violation. Whenever it shall appear to the superintendent that any banking organization, bank holding company, registered mortgage broker, licensed mortgage banker, registered mortgage loan servicer, licensed mortgage loan originator, licensed lender, licensed ~~[cashier of checks]~~ financial services provider, licensed sales finance company, licensed insurance premium finance agency, licensed transmitter of money, licensed budget planner, out-of-state state bank that maintains a branch or branches or representative or other offices in this state, or foreign banking corporation licensed by the superintendent to do business or maintain a representative office in this state has violated any law or regulation, he or she may, in his or her discretion, issue an order describing such apparent violation and requiring such banking organization, bank holding company, registered mortgage broker, licensed mortgage banker, licensed mortgage loan originator, licensed lender, licensed ~~[cashier of checks]~~ financial services provider, licensed sales finance company, licensed insurance premium finance agency, licensed transmitter of money, licensed budget planner, out-of-state state bank that maintains a branch or branches or representative or other offices in this state, or foreign banking corporation to appear before him or her, at a time and place fixed in said order, to present an explanation of such apparent violation.

2. To discontinue unauthorized or unsafe and unsound practices. Whenever it shall appear to the superintendent that any banking organization, bank holding company, registered mortgage broker, licensed mortgage banker, registered mortgage loan servicer, licensed mortgage loan originator, licensed lender, licensed ~~[cashier of checks]~~ financial services provider, licensed sales finance company, licensed insurance premium finance agency, licensed transmitter of money, licensed budget planner, out-of-state state bank that maintains a branch or branches or representative or other offices in this state, or foreign banking corporation licensed by the superintendent to do business in this state is conducting business in an unauthorized or unsafe and unsound manner, he

1 or she may, in his or her discretion, issue an order directing the
2 discontinuance of such unauthorized or unsafe and unsound practices, and
3 fixing a time and place at which such banking organization, bank holding
4 company, registered mortgage broker, licensed mortgage banker, regis-
5 tered mortgage loan servicer, licensed mortgage loan originator,
6 licensed lender, licensed ~~[cashier of checks]~~ financial services
7 provider, licensed sales finance company, licensed insurance premium
8 finance agency, licensed transmitter of money, licensed budget planner,
9 out-of-state state bank that maintains a branch or branches or represen-
10 tative or other offices in this state, or foreign banking corporation
11 may voluntarily appear before him or her to present any explanation in
12 defense of the practices directed in said order to be discontinued.

13 3. To make good impairment of capital or to ensure compliance with
14 financial requirements. Whenever it shall appear to the superintendent
15 that the capital or capital stock of any banking organization, bank
16 holding company or any subsidiary thereof which is organized, licensed
17 or registered pursuant to this chapter, is impaired, or the financial
18 requirements imposed by subdivision one of section two hundred two-b of
19 this chapter or any regulation of the superintendent on any branch or
20 agency of a foreign banking corporation or the financial requirements
21 imposed by this chapter or any regulation of the superintendent on any
22 licensed lender, registered mortgage broker, licensed mortgage banker,
23 licensed ~~[cashier of checks]~~ financial services provider, licensed sales
24 finance company, licensed insurance premium finance agency, licensed
25 transmitter of money, licensed budget planner or private banker are not
26 satisfied, the superintendent may, in the superintendent's discretion,
27 issue an order directing that such banking organization, bank holding
28 company, branch or agency of a foreign banking corporation, registered
29 mortgage broker, licensed mortgage banker, licensed lender, licensed
30 ~~[cashier of checks]~~ financial services provider, licensed sales finance
31 company, licensed insurance premium finance agency, licensed transmitter
32 of money, licensed budget planner, or private banker make good such
33 deficiency forthwith or within a time specified in such order.

34 5. To keep books and accounts as prescribed. Whenever it shall appear
35 to the superintendent that any banking organization, bank holding compa-
36 ny, registered mortgage broker, licensed mortgage banker, registered
37 mortgage loan servicer, licensed mortgage loan originator, licensed
38 lender, licensed ~~[cashier of checks]~~ financial services provider,
39 licensed sales finance company, licensed insurance premium finance agen-
40 cy, licensed transmitter of money, licensed budget planner, agency or
41 branch of a foreign banking corporation licensed by the superintendent
42 to do business in this state, does not keep its books and accounts in
43 such manner as to enable him or her to readily ascertain its true condi-
44 tion, he or she may, in his or her discretion, issue an order requiring
45 such banking organization, bank holding company, registered mortgage
46 broker, licensed mortgage banker, registered mortgage loan servicer,
47 licensed mortgage loan originator, licensed lender, licensed ~~[cashier of~~
48 ~~checks]~~ financial services provider, licensed sales finance company,
49 licensed insurance premium finance agency, licensed transmitter of
50 money, licensed budget planner, or foreign banking corporation, or the
51 officers or agents thereof, or any of them, to open and keep such books
52 or accounts as he or she may, in his or her discretion, determine and
53 prescribe for the purpose of keeping accurate and convenient records of
54 its transactions and accounts.

55 § 15. Subdivisions 1, 2, 3, 4, 5 and 6 of section 42 of the banking
56 law, subdivision 1 as amended by chapter 65 of the laws of 1948, subdi-

visions 2 and 3 as amended by chapter 553 of the laws of 1960, subdivision 4 as amended by chapter 60 of the laws of 1957 and subdivisions 5 and 6 as amended by chapter 249 of the laws of 1968, are amended to read as follows:

1. The name and the location of the principal office of every proposed corporation, private banker, licensed lender and licensed ~~[cashier of checks]~~ financial services provider, the organization certificate, private banker's certificate or application for license of which has been filed for examination, and the date of such filing.

2. The name and location of every licensed lender and licensed ~~[cashier of checks]~~ financial services provider, and the name, location, amount of capital stock or permanent capital and amount of surplus of every corporation and private banker and the minimum assets required of every branch of a foreign banking corporation authorized to commence business, and the date of authorization or licensing.

3. The name of every proposed corporation, private banker, branch of a foreign banking corporation, licensed lender and licensed ~~[cashier of checks]~~ financial services providers to which a certificate of authorization or a license has been refused and the date of notice of refusal.

4. The name and location of every private banker, licensed lender, licensed ~~[cashier of checks]~~ financial services provider, sales finance company and foreign corporation the authorization certificate or license of which has been revoked, and the date of such revocation.

5. The name of every banking organization, licensed lender, licensed ~~[cashier of checks]~~ financial services provider and foreign corporation which has applied for leave to change its place or one of its places of business and the places from and to which the change is proposed to be made; the name of every banking organization which has applied to change the designation of its principal office to a branch office and to change the designation of one of its branch offices to its principal office, and the location of the principal office which is proposed to be redesignated as a branch office and of the branch office which is proposed to be redesignated as the principal office.

6. The name of every banking organization, licensed lender, licensed ~~[cashier of checks]~~ financial services provider and foreign corporation authorized to change its place or one of its places of business and the date when and the places from and to which the change is authorized to be made; the name of every banking organization authorized to change the designation of its principal office to a branch office and to change the designation of a branch office to its principal office, the location of the redesignated principal office and of the redesignated branch office, and the date of such change.

§ 16. Paragraph (a) of subdivision 1 of section 44 of the banking law, as amended by chapter 155 of the laws of 2012, is amended to read as follows:

(a) Without limiting any power granted to the superintendent under any other provision of this chapter, the superintendent may, in a proceeding after notice and a hearing, require any safe deposit company, licensed lender, licensed ~~[cashier of checks]~~ financial services provider, licensed sales finance company, licensed insurance premium finance agency, licensed transmitter of money, licensed mortgage banker, registered mortgage broker, licensed mortgage loan originator, registered mortgage loan servicer or licensed budget planner to pay to the people of this state a penalty for any violation of this chapter, any regulation promulgated thereunder, any final or temporary order issued pursuant to section thirty-nine of this article, any condition imposed in writing by

1 the superintendent in connection with the grant of any application or
2 request, or any written agreement entered into with the superintendent.

3 § 17. This act shall take effect on the one hundred eightieth day
4 after it shall have become a law; provided, however, that:

5 (a) effective immediately, any rules and regulations necessary to
6 implement the provisions of this act on its effective date shall be
7 added, amended and/or repealed on or before such date;

8 (b) the amendments to section 373 of the banking law made by section
9 eleven of this act shall expire and be deemed repealed June 30, 2022;
10 and

11 (c) any contract, instrument, argument or other written obligation
12 entered into by a financial service provider authorized under section
13 373 of the banking law prior to June 30, 2022 shall be deemed valid and
14 enforceable after such date.