

# STATE OF NEW YORK

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7907

2017-2018 Regular Sessions

## IN ASSEMBLY

May 18, 2017

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

AN ACT to amend the banking law, in relation to conduit services

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

1 Section 1. Subdivision 2 of section 366 of the banking law, as amended  
2 by chapter 49 of the laws of 1961 and as renumbered by chapter 132 of  
3 the laws of 1969, is amended and a new subdivision 4 is added to read as  
4 follows:

5 2. The term "licensee" means a licensed cashier of checks, drafts  
6 and/or money orders, and conduit services.

7 4. The term "conduit services" means account access services, bill  
8 payment services and assistance in preparation and submission of forms  
9 to be processed by the collaborating financial institution permitted to  
10 be offered by a licensee under this article to its customers in collab-  
11 oration with a state or federally chartered bank, trust company, savings  
12 bank, savings and loan association or credit union provided there is a  
13 written agreement between the parties approved by the superintendent  
14 setting forth the exact nature of the services to be rendered and the  
15 compensation for same including the person or entity responsible for  
16 such compensation subject to the oversight and approval of the super-  
17 intendent. The term "conduit services" does not include any services  
18 which exceed prevailing usury provisions under any New York state law.

19 § 2. This act shall take effect on the thirtieth day after it shall  
20 have become a law.

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

LBD11690-01-7