STATE OF NEW YORK

6121

2017-2018 Regular Sessions

IN SENATE

May 11, 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 conduit services

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

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

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

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

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

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

LBD11690-01-7