

STATE OF NEW YORK

6693

2019-2020 Regular Sessions

IN ASSEMBLY

March 15, 2019

Introduced by M. of A. CRESPO, RODRIGUEZ, ORTIZ, JAFFEE, ABBATE, RIVERA,
D'URSO -- Multi-Sponsored by -- M. of A. CAHILL, LENTOL -- 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 casher 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.

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