STATE OF NEW YORK

3851--A

Cal. No. 1684

2019-2020 Regular Sessions

IN SENATE

February 20, 2019

Introduced by Sens. SANDERS, MAYER, PARKER -- read twice and ordered printed, and when printed to be committed to the Committee on Consumer Protection -- committee discharged and said bill committed to the Committee on Rules -- ordered to a third reading, amended and ordered reprinted, retaining its place in the order of third reading

AN ACT to amend the civil practice law and rules, in relation to prohibiting certain judgments by confession; and prohibiting certain financial institutions from using a marshal to execute certain judgments

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

Section 1. The opening paragraph of subdivision (a) of section 3218 of the civil practice law and rules, as amended by chapter 311 of the laws of 1963, is amended and a new subdivision (e) is added to read as follows:

Except as provided in section thirty-two hundred one **of this article and subdivision (e) of this section**, a judgment by confession may be entered, without an action, either for money due or to become due, or to secure the plaintiff against a contingent liability in behalf of the defendant, or both, upon an affidavit executed by the defendant;

(e) Prohibition on certain judgments by confession. No judgment by confession may be:

1. entered on any amount due from one or more individuals for personal, family, household, consumer, investment, or non-business purposes;

2. entered on any amount under two hundred fifty thousand dollars due from any person for any purpose;

3. required at the time a loan is originated or as a condition of receiving a loan; or

4. entered on any amount due from a person that:

(i) is currently a nonresident of the state;

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

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(ii) was a nonresident of the state at the time the affidavit authorizing entry of the judgment by confession was executed; or

(iii) is not an individual, does not operate a place of business in the state, or did not operate a place of business in the state at the time the affidavit authorizing entry of the judgment by confession was executed.

§ 2. Notwithstanding any provision of law to the contrary, financial institutions that offer any financial product or service shall not use a marshal, as allowed for pursuant to paragraph b of subdivision 1 of section 1609 of the New York city civil court act, for purposes of executing any money judgment relating to a confession of judgment.

§ 3. This act shall take effect immediately.