

# STATE OF NEW YORK

4628

2019-2020 Regular Sessions

## IN SENATE

March 18, 2019

Introduced by Sen. SANDERS -- 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 mail-loan checks

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

- 1 Section 1. Subdivisions 2 and 3 of section 9-t of the banking law, as  
2 added by chapter 309 of the laws of 2002, are amended and a new subdivi-  
3 sion 4 is added to read as follows:  
4 2. Any lending institution which issues mail-loan checks shall:  
5 (a) include on the face of each check issued to a non-customer a writ-  
6 ten statement, in legible type reading "ONE FORM OF VALID PHOTOGRAPHIC  
7 ID NEEDED TO CASH OR DEPOSIT"; provided, however, that any entity cash-  
8 ing or accepting a mail-loan check for deposit may require more than one  
9 form of identification;  
10 (b) make no reference on the outside of the envelope containing a  
11 mail-loan check that indicates that a check is enclosed within such  
12 envelope;  
13 (c) provide that all mail-loan checks shall be non-transferable; and  
14 (d) include the transaction fee and interest rate and an expiration  
15 date of not more than six months on the mail-loan check, as well as any  
16 additional information that the superintendent may require.  
17 3. No lending institution shall issue a mail-loan check, except in  
18 response to a request or application therefor.  
19 4. Failure to destroy or return a mail-loan check shall not constitute  
20 acceptance of the check.  
21 5. Any lending institution which mails a mail-loan check in violation  
22 of the provisions of this section shall be liable for a civil penalty  
23 not to exceed five hundred dollars for each such violation.  
24 § 2. This act shall take effect on the one hundred twentieth day after  
25 it shall have become a law.

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

LBD04663-01-9