

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.

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