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:

Section 1. Subdivisions 2 and 3 of section 9-t of the banking law, as added by chapter 309 of the laws of 2002, are amended and a new subdivision 4 is added to read as follows:

2. Any lending institution which issues mail-loan checks shall:

(a) include on the face of each check issued to a non-customer a written statement, in legible type reading "ONE FORM OF VALID PHOTOGRAPHIC ID NEEDED TO CASH OR DEPOSIT"; provided, however, that any entity cashing or accepting a mail-loan check for deposit may require more than one form of identification;

(b) make no reference on the outside of the envelope containing a mail-loan check that indicates that a check is enclosed within such envelope;

(c) provide that all mail-loan checks shall be non-transferable; and

(d) include **the transaction fee and interest rate and** an expiration date of not more than six months on the mail-loan check**, as well as any additional information that the superintendent may require**.

3. **No lending institution shall issue a mail-loan check, except in response to a request or application therefor.**

4. Failure to destroy or return a mail-loan check shall not constitute acceptance of the check.

5. Any lending institution which mails a mail-loan check in violation of the provisions of this section shall be liable for a civil penalty not to exceed five hundred dollars for each such violation.

§ 2. This act shall take effect on the one hundred twentieth day after 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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