STATE OF NEW YORK

1978

2021-2022 Regular Sessions

IN ASSEMBLY

January 14, 2021

Introduced by M. of A. NIOU, PEOPLES-STOKES, BARRON, KIM, ENGLEBRIGHT, FRONTUS, RICHARDSON, FALL, SAYEGH, SOLAGES, PRETLOW -- Multi-Sponsored by -- M. of A. MANKTELOW -- read once and referred to the Committee on Banks

AN ACT to amend the general obligations law and the banking law, in relation to providing financial consumer protections for small businesses

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

Section 1. The general obligations law is amended by adding a new section 5-522 to read as follows:

§ 5-522. Application to small businesses. All rights and privileges granted under this title to persons shall also apply to small businesses. For purposes of this section, a small business shall be deemed to be one which is resident in this state, independently owned and operated, not dominant in its field and employs one hundred or less persons.

§ 2. Section 173 of the banking law is amended by adding a new subdivision 4 to read as follows:

4. All rights and privileges granted under this section to persons shall also apply to small businesses. For purposes of this subdivision, a small business shall be deemed to be one which is resident in this state, independently owned and operated, not dominant in its field and employs one hundred or less persons.

§ 3. Section 380-e of the banking law, as separately amended by chapters 349 and 1072 of the laws of 1968, is amended to read as follows:

§ 380-e. Effect of usury. The knowingly taking, receiving, reserving, or charging by a savings and loan association of interest, as computed pursuant to this article, at a rate greater than such rate of interest as may be authorized by law shall be held and adjudged a forfeiture of the entire interest which the note or other evidence of debt carries with it, or which has been agreed to be paid thereon. If such greater

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

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rate of interest has been paid, the person paying the same or his legal representatives may recover from the savings and loan association twice the entire amount of the interest thus paid. Nothing in this section shall be deemed to affect the powers of any savings and loan association with respect to loans or investments it is authorized to make. **The rights and privileges granted under this section shall also apply to small businesses. For purposes of this section, a small business shall be deemed to be one which is resident in this state, independently owned and operated, not dominant in its field and employs one hundred or less persons.**

§ 4. This act shall take effect immediately.