STATE OF NEW YORK

1566--A

Cal. No. 189

2021-2022 Regular Sessions

IN SENATE

January 13, 2021

Introduced by Sens. SANDERS, LIU, SEPULVEDA -- read twice and ordered printed, and when printed to be committed to the Committee on Banks -- reported favorably from said committee, ordered to first and second report, ordered to a third reading, passed by Senate and delivered to the Assembly, recalled, vote reconsidered, restored to third reading, amended and ordered reprinted, retaining its place in the order of third reading

AN ACT to amend the banking law, in relation to requiring banks to provide written notification that accepting an alternative loan payment schedule may have a negative impact on credit scores

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

Section 1. The banking law is amended by adding a new section 129-a to read as follows:

§ 129-a. Requirement of written notification; alternative payment schedules. In the event that any bank or trust company shall permit a customer to establish an alternative payment schedule for an existing loan, the bank or trust company shall provide written notification that accepting such alternative payment schedule may have a negative impact on such customer's credit score or rating. Such notification shall be provided at the time a loan application is made, at the time a loan is granted and at the time a customer requests that an alternative payment schedule be established for a loan, but prior to the actual establishment of an alternative payment schedule.

§ 2. This act shall take effect on the ninetieth 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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