

STATE OF NEW YORK

11018

IN ASSEMBLY

April 21, 2026

Introduced by M. of A. FORREST, LUCAS, LEVENBERG, SEAWRIGHT, KIM, BURDICK, FALL, COLTON -- read once and referred to the Committee on Banks

AN ACT to amend the executive law and the banking law, in relation to establishing the banking bill of rights

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

1 Section 1. Legislative intent. Across New York, financial institutions
2 terminate individuals' bank accounts or deny their applications with no
3 reason provided or recourse allowed. These banking practices disproportio-
4 nately impact immigrant communities, resulting in unbanked or under-
5 banked New Yorkers. Such practices harm consumers' credit scores and
6 histories, creating barriers to housing, education and access to the
7 financial industry altogether; they also block millions of dollars of
8 donations to charitable organizations. Furthermore, these unfair and
9 discriminatory practices create a chilling effect on local economies
10 statewide. Personal finance deserves due process, and it is the intent
11 of the legislature to ensure fundamental banking rights for all New
12 Yorkers. Requiring financial institutions to disclose the reasons for
13 adverse actions with respect to credit and deposit accounts will prevent
14 discrimination ex ante, in addition to giving consumers an opportunity
15 to improve their credit or financial status and rectify mistakes that
16 may occur from misinformation or inadequate information; it will also
17 create a beneficial competitive effect on the financial industry.

18 § 2. The executive law is amended by adding a new section 296-b to
19 read as follows:

20 § 296-b. Banking bill of rights. 1. Definitions. For the purposes of
21 this section, the following terms shall have the following meanings:

22 a. "Financial institution" shall mean any corporation organized under
23 and subject to the provisions of the banking law, including any bank,
24 trust company, savings bank, savings and loan association, credit union,
25 mortgage broker, mortgage banker, or other investment entity, whether
26 headquartered within or outside the state, which provides credit or a
27 deposit account to a customer in the state.

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

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1 b. "Deposit account" shall mean any demand deposit account, including
2 but not limited to, a checking account, time deposit account, certifi-
3 cate of deposit (CD), savings account, passbook account, share account,
4 money market account, or other similar account maintained by a financial
5 institution.

6 c. "Adverse action" shall mean a termination or closure of an account
7 or an unfavorable change in the terms of an account that does not affect
8 all or substantially all of a class of the financial institution's cred-
9 it or deposit accounts, including but not limited to, loss of privi-
10 leges. The term "adverse action" shall not include a change in the terms
11 of an account expressly agreed to by an account holder, or any action or
12 forbearance relating to an account taken in connection with inactivity,
13 default, or delinquency of such account.

14 2. Due process requirements. Notwithstanding any other provision of
15 law or rule or regulation to the contrary, a financial institution
16 shall:

17 a. provide written notice of:

18 (1) all the specific reasons for denial of an application for credit
19 or a deposit account to an applicant within ten days of such denial; and

20 (2) any adverse action of an existing customer's credit or deposit
21 account and all the specific reasons for such adverse action at least
22 thirty days prior to taking such adverse action; provided, however, that
23 where such adverse action is a refusal or failure to authorize an
24 account transaction at a point of sale, or whereby fraud or potentially
25 unlawful activity is detected, written notice shall be provided as soon
26 as reasonably possible but no later than five days after such adverse
27 action is taken.

28 b. provide a reasonable opportunity for an applicant for credit or a
29 deposit account or a customer with existing credit or a deposit account
30 to contest or correct any information that the financial institution may
31 have relating to denial of an application for credit or a deposit
32 account or any pending adverse action relating to a customer's existing
33 credit or deposit account; and

34 c. consider any information provided by an applicant for credit or a
35 deposit account or a customer with existing credit or a deposit account
36 pursuant to paragraph b of this subdivision in making a final decision
37 regarding denial of an application for credit or a deposit account or
38 any pending adverse action related to existing credit or a deposit
39 account.

40 3. Enforcement. a. Any financial institution that violates subpara-
41 graph one or two of paragraph a of subdivision two of this section shall
42 be liable to such applicant or customer for the following:

43 (1) ten thousand dollars for each such violation;

44 (2) actual damages resulting from such violation, including consequen-
45 tial and incidental damages;

46 (3) reasonable attorneys' fees; and

47 (4) in the case of repeat violations or violators, punitive damages.

48 b. A violation pursuant to paragraph a of this subdivision shall
49 create a presumption of unlawful discriminatory practice pursuant to
50 sections two hundred ninety-six and two hundred ninety-six-a of this
51 article in favor of the applicant or customer.

52 c. Any applicant or customer seeking to enforce the provisions of this
53 section, in lieu of the procedure set forth in section two hundred nine-
54 ty-seven of this article, may file a verified complaint with the super-
55 intendent of financial services; provided, however, that the filing of
56 such complaint with either the superintendent of financial services or

1 the division shall bar subsequent recourse to the other agency, as well
2 as to any local commission on human rights, with respect to the griev-
3 ance complained of. In the case of a verified complaint filed with the
4 superintendent of financial services, the procedure set forth in para-
5 graphs a and b of subdivision seven of section two hundred ninety-six-a
6 of this article shall apply. If the superintendent of financial services
7 finds that a violation of this section has occurred, such superintendent
8 shall issue an order determining liability pursuant to paragraph a of
9 this subdivision.

10 4. Preemption. Nothing in this section shall be construed to preempt
11 any other state or federal law prohibiting the disclosure of certain
12 protected consumer information or limit the ability of financial insti-
13 tutions to make reasonable business judgments.

14 5. Rules and regulations. The superintendent of financial services is
15 authorized to promulgate rules and regulations to effectuate the
16 provisions of this section.

17 § 3. Paragraph a of subdivision 4 of section 296-a of the executive
18 law, as amended by chapter 632 of the laws of 1976, is amended to read
19 as follows:

20 a. [~~If so requested by~~] A creditor shall furnish an applicant for
21 credit[~~, a creditor shall furnish such applicant~~] with a statement of
22 the specific reasons for rejection of the applicant's application for
23 credit pursuant to section two hundred ninety-six-b of this article.

24 § 4. Section 9-d of the banking law, as added by chapter 173 of the
25 laws of 1974 and as further amended by section 104 of part A of chapter
26 62 of the laws of 2011, is amended to read as follows:

27 § 9-d. Enforcement of [~~section~~] sections two hundred ninety-six-a and
28 two hundred ninety-six-b of the executive law. In addition to the powers
29 conferred upon the superintendent of financial services by this chapter,
30 he or she shall enforce [~~section~~] sections two hundred ninety-six-a and
31 two hundred ninety-six-b of the executive law by taking such action as
32 is therein authorized.

33 § 5. This act shall take effect immediately.