STATE OF NEW YORK

11293

IN ASSEMBLY

May 8, 2026

Introduced by COMMITTEE ON RULES -- (at request of M. of A. Vanel) -- read once and referred to the Committee on Banks

AN ACT to amend the financial services law, in relation to reporting of covered loans

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

Section 1. The financial services law is amended by adding a new article 8-A to read as follows:

ARTICLE 8-A

COVERED LOAN REPORTING

Section 820. Definitions.
821. Reporting required.
822. Form and filing.
823. Annual report.
824. Regulations.
825. Penalties.
826. Severability.
827. Preemption.

§ 820. Definitions. For the purposes of this article, the following terms shall have the following meanings:

(a) (1) "Covered loan" shall mean any extension of money or credit that exceeds twenty-five thousand dollars or series of extensions of money or credit made within twelve months to the same borrower that exceeds an aggregate of twenty-five thousand dollars made to a resident of this state, for personal use or for commercial purposes, including commercial financing, in exchange for the borrower's agreement to repay an amount greater than the amount financed, extended, or purchased through interest, finance charges, fees, or other compensation for the use of such money or credit.

(2) "Covered loan" shall not include:

(A) open-end credit plans subject to the federal Truth in Lending Act and Regulation Z that are accessed by the use of a credit card or similar device intended for repeated transactions;

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

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(B) any extension of credit secured by a mortgage, deed of trust, or other security interest in real property, including home equity lines of credit; or

(C) any other extension of credit that is subject to a charter, license, or regulatory regime under this chapter or other provisions of New York state law that provides for ongoing supervision, examination, and enforcement authority by the superintendent, as determined by the superintendent pursuant to rules and regulations.

(b) (1) "Covered lender" shall mean any person, including any affiliate or subsidiary of such person, that:

(A) offers or makes a covered loan;

(B) purchases or acquires a whole or partial interest in a covered loan or any receivable arising from a covered loan;

(C) arranges, brokers, or facilitates a covered loan for a third party; or

(D) acts as an agent for a third party in making a covered loan, regardless of whether approval, acceptance, or ratification by the third party is necessary to create a legal obligation for the third party.

(2) A person is a covered lender notwithstanding that such person purports to act as an agent, service provider, or in another capacity for another person that is exempt from this article or the laws of this state if any of the following apply:

(A) such person holds, acquires, or maintains, directly or indirectly, the predominant economic interest in a covered loan;

(B) such person markets, brokers, arranges, or facilitates a covered loan and holds the right, requirement, or first right of refusal to purchase or acquire a covered loan or any receivable or interest in a covered loan; or

(C) the totality of the circumstances indicate that such person is a covered lender, and the covered loan is structured to evade the requirements of this article. Circumstances that weigh in favor of such a finding include, without limitation, where such person:

(i) indemnifies, insures, or protects another person that is not subject to this article for any costs or risks related to such covered loan;

(ii) predominantly designs, controls, or operates the program for such covered loan; or

(iii) holds the trademark or intellectual property rights in the brand, underwriting system, or other core aspects of a covered lender.

(3) Covered lender shall not include any exempt financial entities.

(c) "Automatic debit authorization" shall mean authorization by a borrower to a covered lender to withdraw funds directly from such borrower's deposit account.

(d) "Exempt financial entities" shall mean any of the following:

(1) Any bank, savings bank, savings and loan association, trust company, private banker, credit union, investment company organized under article twelve of this chapter, national bank, federal savings association, federal savings and loan association, federal credit union, federal trust company, and foreign banking corporation licensed by the comptroller of the currency to transact business in this state or by the United States;

(2) Any person organized under and conducting transactions subject to articles nine, twelve-B, twelve-D, twelve-E and fourteen-B of the banking law;

(3) Any person organized under and conducting transactions subject to article nine, nine-A, ten or eleven of the personal property law;

(4) Any person making loans under programs of the United States Department of Agriculture, United States Department of Housing and Urban Development, or any other federal government program that provides funding or access to funding for single-family housing developments or grants to low-income individuals for the purchase or repair of single-family housing;

(5) Nonprofit housing organizations making loans, or loans made under housing programs that are funded in whole or in part by federal or state programs if the primary purpose of such programs is to assist low-income borrowers with purchasing or repairing housing or the development of housing for low-income New York state residents; or

(6) Any person that extends money or credit to another person on a nonrecourse basis in exchange for a contingent right to receive an amount of the potential proceeds of any award, judgment, settlement, verdict, or other resolution from a pending legal action, unless such person requires repayment in the event that such other person does not prevail in their civil proceeding.

(e) "Commercial financing" shall have the same meaning as defined in section eight hundred one of this chapter.

(f) "Finance charge" shall have the same meaning as defined in section eight hundred one of this chapter.

(g) "Factoring transaction" shall have the same meaning as defined in section eight hundred one of this chapter.

(h) "Open-end financing" shall have the same meaning as defined in section eight hundred one of this chapter.

(i) "Closed-end financing" shall have the same meaning as defined in section eight hundred one of this chapter.

(j) "Sales-based financing" shall have the same meaning as defined in section eight hundred one of this chapter.

§ 821. Reporting required. (a) Any covered lender shall, within thirty days of originating, acquiring, or refinancing a covered loan, report to the department the following information on a form prescribed by the superintendent:

(1) the identity of each covered lender of such covered loan and their respective interest therein, including the state of incorporation of each covered lender;

(2) the borrower of such covered loan and their zip code;

(3) the date of origination, acquisition, or refinancing of such covered loan;

(4) whether such loan is for personal, family, or household use or for commercial use;

(5) for commercial financing, the arrangement type of such covered loan, including whether such covered loan constitutes open-end financing, closed-end financing, sales-based financing, a factoring transaction, or a hybrid or combination thereof, or another arrangement determined by the superintendent to constitute a covered loan;

(6) the amount financed, extended, or purchased under such covered loan;

(7) the amount actually disbursed to the borrower under such covered loan;

(8) the repayment frequency and contractual duration or term of such covered loan, where applicable;

(9) the contractual pricing terms applicable to such covered loan, including, as applicable:

(A) annual percentage rates;

(B) repayment percentages based on sales or revenue;

(C) finance charges;
(D) fees; and
(E) other pricing metrics prescribed by the superintendent;
(10) whether such covered loan involves:
(A) automatic debit authorization;
(B) a confession of judgment;
(C) fees or charges arising from prepayment or payoff; or
(D) the refinancing of one or more prior covered loans;
(11) the late fees, penalties or other charges associated with such covered loan; and
(12) any other information requested by the superintendent.
(b) The information required pursuant to subsection (a) of this section shall be submitted electronically or in writing on a form prescribed by the superintendent pursuant to section eight hundred twenty-two of this article. Such form shall be affirmed as true and accurate under penalty of perjury.
§ 822. Form and filing. (a) The department shall prescribe the form, contents, filing instructions, and manner of submission for reports required pursuant to section eight hundred twenty-one of this article by regulation and shall provide an option to file such reports electronically.
(b) When two or more covered lenders have an interest in the same covered loan, any such covered lender may file such report on behalf of all other covered lenders.
(c) The department may charge a fee for filing such report, provided that such fee does not exceed twenty-five dollars.
(d) Notwithstanding the public officers law, a report filed under this article shall be confidential and not subject to public disclosure.
(e) Nothing in this article shall prohibit the department from publishing aggregated or anonymized information pursuant to this article.
(f) The department may disclose such information only to:
(1) the borrower or the borrower's authorized representative;
(2) the covered lender or the covered lender's authorized representative;
(3) the attorney general or a law enforcement agency;
(4) another state or federal regulator for supervisory, regulatory, or enforcement purposes; or
(5) as otherwise ordered by a court of competent jurisdiction.
(g) Any recipient of a report filed pursuant to this section shall maintain the confidentiality of such information.
(h) Nothing in this section shall limit the department's use of information contained in a report filed pursuant to this section for supervisory or enforcement purposes.
§ 823. Annual report. (a) The superintendent shall collect and maintain data submitted pursuant to sections eight hundred twenty-one and eight hundred twenty-two of this article and shall annually publish a report on the department's website containing aggregated information regarding covered loans reported pursuant to such sections during the preceding year.
(b) Such report shall include distributions categorized by:
(1) personal, family, or household purposes; and
(2) commercial financing by arrangement, including but not limited to:
(A) open-end financing;
(B) closed-end financing;
(C) sales-based financing;

(D) factoring transactions;
(E) hybrid or combined commercial financing arrangements; and
(F) other arrangements determined by the superintendent to constitute covered loans.
(c) The report shall include, for each category described in subsection (b) of this section:
(1) the total number and contractual amount financed, extended, or purchased under covered loans;
(2) the geographic distribution of borrowers by zip code;
(3) the geographic distribution of covered lenders by state of incorporation;
(4) the average and median contractual amount financed, extended or purchased under covered loans;
(5) the average and median amount actually disbursed to borrowers under covered loans;
(6) distributions categorized by contractual pricing terms applicable to covered loans, including, as applicable:
(A) annual percentage rates;
(B) repayment percentages based on sales or revenue;
(C) finance charges;
(D) fees; and
(E) other pricing metrics prescribed by the superintendent;
(7) distributions categorized by repayment frequency, where applicable;
(8) distributions categorized by contractual duration or term of such covered loan, where applicable;
(9) distributions categorized by late fees, penalties, or other charges associated with covered loans;
(10) the number and percentage of covered loans involving fees or charges arising from prepayment or payoff of a covered loan;
(11) the number and percentage of covered loans involving automatic debit authorization;
(12) the number and percentage of covered loans involving confessions of judgment;
(13) the number and percentage of covered loans involving the refinancing of one or more prior covered loans;
(14) the number of covered lenders referred to the attorney general for enforcement action; and
(15) the number of covered lenders subject to enforcement actions by the superintendent.
(d) The superintendent may publish additional arrangement-specific metrics, analyses, and distributions relevant to particular categories of covered loans, including relating to reconciliation provisions, repayment practices, refinancing activity, or other features associated with particular arrangement types.
(e) The superintendent may establish additional reporting categories, methodologies, ranges, and metrics necessary to carry out the purposes of this section.
§ 824. Regulations. The superintendent may promulgate such rules and regulations as are necessary to implement, administer, and enforce the provisions of this article, including but not limited to regulations relating to:
(a) reporting forms, filing procedures, and electronic submission requirements;
(b) the classification and categorization of covered loans and commercial financing arrangements;

(c) methodologies, ranges, and standards for reporting contractual pricing terms and other required information;

(d) the avoidance of duplicative or inconsistent reporting where multiple covered lenders have an interest in the same covered loan;

(e) standards for determining whether a person is a covered lender or whether a transaction constitutes a covered loan under this article;

(f) recordkeeping and retention requirements relating to reports filed pursuant to sections eight hundred twenty-one and eight hundred twenty-two of this article;

(g) the publication of aggregated or anonymized annual reports pursuant to section eight hundred twenty-three of this article; and

(h) such other matters as the superintendent deems necessary to carry out the purposes of this section.

§ 825. Penalties. A violation of the provisions of this article shall be a violation of this chapter and may be subject to civil penalties, injunctive relief and other corrective action or enforcement measures imposed by the superintendent in regulation.

§ 826. Severability. If any provision of this section or the application thereof to any person or circumstances is held to be invalid, such invalidity shall not affect other provisions or applications of this section which can be given effect without the invalid provision or application, and to this end, the provisions of this section are severable.

§ 827. Preemption. This section shall not apply to the extent that it is preempted by federal law. Nothing in this section shall be construed to require any act prohibited, or prohibit any act required, by federal law.

§ 2. The superintendent of financial services shall promulgate rules and regulations necessary to implement the provisions of section one of this act no later than one year after this section shall have become a law.

§ 3. This act shall take effect immediately; provided, however, that:

(a) section one of this act shall take effect on the one hundred eightieth day after the superintendent of financial services has promulgated the rules and regulations required under section two of this act; and

(b) the superintendent of financial services shall notify the legislative bill drafting commission upon the occurrence of the promulgation of the rules and regulations provided for in section two of this act in order that the commission may maintain an accurate and timely effective data base of the official text of the laws of the state of New York in furtherance of effectuating the provisions of section 44 of the legislative law and section 70-b of the public officers law.

Effective immediately, the addition, amendment and/or repeal of any rule or regulation necessary for the implementation of this act on its effective date are authorized to be made and completed on or before such effective date.