STATE OF NEW YORK

9644--A

IN ASSEMBLY

January 21, 2026

Introduced by M. of A. RAGA, LEE -- read once and referred to the Committee on Banks -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the general obligations law, in relation to the interest rate and finance charges on cash advances of wages or salary

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

Section 1. This act shall be known and may be cited as the "stop taking our pay act".

§ 2. Legislative intent. It is the intent of the legislature that this act clarify and codify existing law, including that (i) all wage and cash advances are loans subject to the interest rate cap set forth in section 5-501 of the general obligations law; and (ii) finance charges include any amount paid or payable in connection with a loan, whether voluntary or otherwise, regardless of how such amount is denominated, including, but not limited to, tips and subscription costs.

§ 3. Subdivision 2 of section 5-501 of the general obligations law, as amended by chapter 883 of the laws of 1980 and as further amended by section 104 of part A of chapter 62 of the laws of 2011, is amended and a new subdivision 1-a is added to read as follows:

1-a. "Loan" shall include any extension of credit or advance of money on a borrower's future, earned, or potential source of money, including future pay, salary, and earned but unpaid wages or income.

2. No person or corporation shall, directly or indirectly, charge, take or receive any money, goods or things in action as interest on the loan or forbearance of any money, goods or things in action at a rate exceeding the rate above prescribed. The amount charged, taken or received as interest shall include any and all amounts paid or payable, directly or indirectly, **voluntary or otherwise,** by any person, to or for the account of the lender [~~in consideration for making~~]**, including any discount applied to any amounts advanced, in connection with** the loan or forbearance as defined by the superintendent of financial services pursuant to subdivision three of section fourteen-a of the banking law**, including fees, charges, tips, subscription costs, and any other amount**

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

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paid or payable, except such fee as may be fixed by the commissioner of taxation and finance as the cost of servicing loans made by the property and liability insurance security fund.

§ 4. This act shall take effect immediately.