

# STATE OF NEW YORK

11293--A

## 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 -- reported and referred to the Committee on Codes -- reported and referred to the Committee on Ways and Means -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

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:

1 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.

6 821. Reporting required.

7 822. Form and filing.

8 823. Annual report.

9 824. Regulations.

10 825. Penalties.

11 826. Severability.

12 827. Preemption.

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

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

24 (2) "Covered loan" shall not include:

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

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

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

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

12 (b) (1) "Covered lender" shall mean any person, including any affil-  
13 iate or subsidiary of such person, that:

14 (A) offers or makes a covered loan;

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

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

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

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

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

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

32 (C) the totality of the circumstances indicate that such person is a  
33 covered lender, and the covered loan is structured to evade the require-  
34 ments of this article. Circumstances that weigh in favor of such a find-  
35 ing include, without limitation, where such person:

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

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

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

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

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

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

48 (1) Any bank, savings bank, savings and loan association, trust compa-  
49 ny, private banker, credit union, investment company organized under  
50 article twelve of this chapter, national bank, federal savings associ-  
51 ation, federal savings and loan association, federal credit union,  
52 federal trust company, and foreign banking corporation licensed by the  
53 comptroller of the currency to transact business in this state or by the  
54 United States;

55 (2) Any person licensed or authorized under articles nine, twelve-B,  
56 twelve-D, twelve-E and fourteen-B of the banking law;

1 (3) Any person licensed or authorized under article nine, nine-A, ten  
2 or eleven of the personal property law;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

44 (5) for commercial financing, the arrangement type of such covered  
45 loan, including whether such covered loan constitutes open-end financ-  
46 ing, closed-end financing, sales-based financing, a factoring trans-  
47 action, or a hybrid or combination thereof, or another arrangement  
48 determined by the superintendent to constitute a covered loan;

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

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

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

55 (9) the contractual pricing terms applicable to such covered loan,  
56 including, as applicable;

1 (A) annual percentage rates;

2 (B) repayment percentages based on sales or revenue;

3 (C) finance charges;

4 (D) fees; and

5 (E) other pricing metrics prescribed by the superintendent;

6 (10) whether such covered loan involves:

7 (A) automatic debit authorization;

8 (B) a confession of judgment or similar instrument;

9 (C) fees or charges arising from prepayment or payoff; or

10 (D) the refinancing of one or more prior covered loans;

11 (11) the late fees, penalties or other charges associated with such  
12 covered loan; and

13 (12) any other information required by the superintendent by rule or  
14 regulation.

15 (b) The information required pursuant to subsection (a) of this  
16 section shall be submitted electronically or in writing on a form  
17 prescribed by the superintendent pursuant to section eight hundred twenty-  
18 two of this article. Such form shall be affirmed as true and accurate  
19 under penalty of perjury.

20 § 822. Form and filing. (a) The department shall prescribe the form,  
21 contents, filing instructions, and manner of submission for reports  
22 required pursuant to section eight hundred twenty-one of this article by  
23 regulation and shall provide an option to file such reports electron-  
24 ically.

25 (b) When two or more covered lenders have an interest in the same  
26 covered loan, any such covered lender may file the report required by  
27 this section on behalf of all other covered lenders for such covered  
28 loan. No duplicative report shall be required with respect to a covered  
29 loan that has already been reported pursuant to this section, except  
30 that the superintendent may require by rule or regulation the filing of  
31 amended or supplemental reports to reflect material changes in owner-  
32 ship, acquisition, refinancing, or other information required to be  
33 reported pursuant to this section.

34 (c) The department may charge a fee for filing such report, provided  
35 that such fee does not exceed twenty-five dollars.

36 (d) Notwithstanding the public officers law, a report filed under this  
37 article shall be confidential and not subject to public disclosure.

38 (e) Nothing in this article shall prohibit the department from  
39 publishing aggregated or anonymized information pursuant to this arti-  
40 cle.

41 (f) The department may disclose such information only to:

42 (1) the borrower or the borrower's authorized representative;

43 (2) the covered lender or the covered lender's authorized represen-  
44 tative;

45 (3) the attorney general or a law enforcement agency;

46 (4) another state or federal regulator for supervisory, regulatory, or  
47 enforcement purposes; or

48 (5) as otherwise ordered by a court of competent jurisdiction.

49 (g) Any recipient of a report filed pursuant to this section shall  
50 maintain the confidentiality of such information.

51 (h) Nothing in this section shall limit the department's use of infor-  
52 mation contained in a report filed pursuant to this section for supervi-  
53 sory or enforcement purposes.

54 § 823. Annual report. (a) The superintendent shall collect and main-  
55 tain data submitted pursuant to sections eight hundred twenty-one and  
56 eight hundred twenty-two of this article and shall annually publish a

1 report on the department's website containing aggregated information  
2 regarding covered loans reported pursuant to such sections during the  
3 preceding year.

4 (b) Such report shall include distributions categorized by:

5 (1) personal, family, or household purposes; and

6 (2) commercial financing by arrangement, including but not limited to:

7 (A) open-end financing;

8 (B) closed-end financing;

9 (C) sales-based financing;

10 (D) factoring transactions;

11 (E) hybrid or combined commercial financing arrangements; and

12 (F) other arrangements determined by the superintendent to constitute  
13 covered loans.

14 (c) The report shall include, for each category described in  
15 subsection (b) of this section:

16 (1) the total number and contractual amount financed, extended, or  
17 purchased under covered loans;

18 (2) the geographic distribution of borrowers by zip code;

19 (3) the geographic distribution of covered lenders by state of incor-  
20 poration;

21 (4) the average and median contractual amount financed, extended or  
22 purchased under covered loans;

23 (5) the average and median amount actually disbursed to borrowers  
24 under covered loans;

25 (6) distributions categorized by contractual pricing terms applicable  
26 to covered loans, including, as applicable:

27 (A) annual percentage rates;

28 (B) repayment percentages based on sales or revenue;

29 (C) finance charges;

30 (D) fees; and

31 (E) other pricing metrics prescribed by the superintendent;

32 (7) distributions categorized by repayment frequency, where applica-  
33 ble;

34 (8) distributions categorized by contractual duration or term of such  
35 covered loan, where applicable;

36 (9) distributions categorized by late fees, penalties, or other charg-  
37 es associated with covered loans;

38 (10) the number and percentage of covered loans involving fees or  
39 charges arising from prepayment or payoff of a covered loan;

40 (11) the number and percentage of covered loans involving automatic  
41 debit authorization;

42 (12) the number and percentage of covered loans involving confessions  
43 of judgment;

44 (13) the number and percentage of covered loans involving the refi-  
45 nancing of one or more prior covered loans;

46 (14) the number of covered lenders referred to the attorney general  
47 for enforcement action; and

48 (15) the number of covered lenders subject to enforcement actions by  
49 the superintendent.

50 (d) The superintendent may publish additional arrangement-specific  
51 metrics, analyses, and distributions relevant to particular categories  
52 of covered loans, including relating to reconciliation provisions,  
53 repayment practices, refinancing activity, or other features associated  
54 with particular arrangement types.

1 (e) The superintendent may establish additional reporting categories,  
2 methodologies, ranges, and metrics necessary to carry out the purposes  
3 of this section.

4 (f) The superintendent shall not publish any aggregated or anonymized  
5 information pursuant to this section if the superintendent determines  
6 that such publication could reasonably be expected to identify a borrow-  
7 er or specific covered loan. The superintendent may combine, redact, or  
8 otherwise modify categories, geographic areas, ranges, or other reported  
9 information as necessary to protect confidentiality and prevent re-iden-  
10 tification.

11 § 824. Regulations. The superintendent may promulgate such rules and  
12 regulations as are necessary to implement, administer, and enforce the  
13 provisions of this article, including but not limited to regulations  
14 relating to:

15 (a) reporting forms, filing procedures, and electronic submission  
16 requirements;

17 (b) the classification and categorization of covered loans and commer-  
18 cial financing arrangements;

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

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

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

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

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

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

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

36 § 826. Severability. If any provision of this section or the applica-  
37 tion thereof to any person or circumstances is held to be invalid, such  
38 invalidity shall not affect other provisions or applications of this  
39 section which can be given effect without the invalid provision or  
40 application, and to this end, the provisions of this section are severa-  
41 ble.

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

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

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

51 (a) section one of this act shall take effect on the one hundred  
52 eightieth day after the superintendent of financial services has promul-  
53 gated the rules and regulations required under section two of this act;  
54 and

55 (b) the superintendent of financial services shall notify the legisla-  
56 tive bill drafting commission upon the occurrence of the promulgation of

1 the rules and regulations provided for in section two of this act in  
2 order that the commission may maintain an accurate and timely effective  
3 data base of the official text of the laws of the state of New York in  
4 furtherance of effectuating the provisions of section 44 of the legisla-  
5 tive law and section 70-b of the public officers law.

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