STATE OF NEW YORK

3459--C

2025-2026 Regular Sessions

IN ASSEMBLY

January 27, 2025

Introduced by M. of A. LAVINE, BURDICK, SAYEGH -- read once and referred to the Committee on Banks -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- reported and referred to the Committee on Codes -- recommitted to the Committee on Codes in accordance with Assembly Rule 3, sec. 2 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- again reported from said committee with amendments, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the financial services law, in relation to civil penalties for certain fraud or misrepresentation of a material fact with respect to a financial product or service

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

Section 1. Paragraph 1 of subsection (a) of section 408 of the financial services law is amended and a new subsection (c) is added to read as follows:

(1) not to exceed five thousand dollars per offense, for:

(A) **(i)** any [~~intentional~~] fraud [~~or intentional misrepresentation~~] **with respect to a financial product or service or involving any person offering to provide or providing financial products or services; or**

(ii) any representation or omission of a material fact with respect to a financial product or service or involving any person offering to provide or providing financial products or services **that misleads or is likely to mislead a consumer when the consumer's interpretation of the representation or omission is reasonable under the circumstances**; [~~or~~]

(B) any violation of state or federal fair debt collection practices or federal or state fair lending laws; **or**

(C) any act or practice that:

(i) causes or is likely to cause substantial injury to consumers which is not reasonably avoidable by consumers; and

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

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(ii) such substantial injury is not outweighed by countervailing benefits to consumers or to competition; and

(c) This section shall not be construed to limit any other criminal or civil liability such entity may be subject to under law.

§ 2. This act shall take effect immediately.