STATE OF NEW YORK

7194--A

2025-2026 Regular Sessions

IN ASSEMBLY

March 21, 2025

Introduced by M. of A. BICHOTTE HERMELYN, ALVAREZ, EPSTEIN, REYES, KELLES, LEVENBERG, TAYLOR, BORES -- read once and referred to the Committee on Labor -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the labor law, in relation to prohibiting student loan payment credit history checks in making employment decisions

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

Section 1. The labor law is amended by adding a new section 219-b to read as follows:

§ 219-b. Student loan payment credit history; employment. 1. Except as provided in this section and in those cases otherwise mandated by law, it shall be an unlawful discriminatory practice for an employer, labor organization, employment agency or any agent therefor to request or to use for employment purposes information contained in the consumer credit history indicating the payment status of a student loan, as defined in subdivision fourteen of section sixteen hundred seventy-six of the public authorities law, of an applicant for employment or employee, or otherwise discriminate against such applicant with regard to hiring decisions, compensation, or the terms, conditions or privileges of employment based on the student loan payment credit history of the applicant or employee.

2. This section shall not apply to:

(a) an employer, or agent thereof, that is required by state or federal law or regulations or by a self-regulatory organization, as defined in paragraph twenty-six of subdivision (a) of section three of the securities exchange act of 1934, as amended, to use an individual's student loan payment credit history for employment purposes;

(b) an employer, or agent thereof, that is required by state or federal law or by a self-regulatory organization as defined in section 3(a)(26) of the securities exchange act of 1934, as amended to use an

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

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individual's student loan payment credit history for employment purposes;

(c) persons applying for positions as or employed as peace officers or police officers, as such terms are defined in subdivisions thirty-three and thirty-four of section 1.20 of the criminal procedure law, respectively, or in a position with a law enforcement or investigative function in a law enforcement agency;

(d) persons in a position that is subject to background investigation by a state agency, provided, however, that the appointing agency may not use student loan payment credit history information for employment purposes unless the position is an appointed position in which a high degree of public trust, as defined by the commission in rules, has been reposed;

(e) persons in a position in which an employee is required to be bonded under state or federal law;

(f) persons in a position in which an employee is required to possess security clearance under federal law or the law of any state;

(g) persons in a non-clerical position having regular access to trade secrets, intelligence information or national security information;

(h) persons in a position:

(i) having signatory authority over third party funds or assets valued at ten thousand dollars or more; or

(ii) that involves a fiduciary responsibility to the employer with the authority to enter financial agreements valued at ten thousand dollars or more on behalf of the employer; or

(i) persons in a position with regular duties that allow the employee to modify digital security systems established to prevent the unauthorized use of the employer's or client's networks or databases.

3. As used in this section the following terms shall have the following meanings:

(a) "intelligence information" means records and data compiled for the purpose of criminal investigation or counterterrorism, including records and data relating to the order or security of a correctional facility, reports of informants, investigators or other persons, or from any type of surveillance associated with an identifiable individual, or investigation or analysis of potential terrorist threats;

(b) "national security information" means any knowledge relating to the national defense or foreign relations of the United States, regardless of its physical form or characteristics, that is owned by, produced by or for, or is under the control of the United States government and is defined as such by the United States government and its agencies and departments;

(c) "student loan payment credit history" shall mean any information bearing on an individual's credit worthiness, credit standing, or credit capacity, including, but not limited to, an individual's credit score, credit account, as it relates to student loan payment history and student loan repayment status such as but not limited to deferment, forbearance, delinquency, or default; and

(d) (i) "trade secrets" means information that: (A) derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by other persons who can obtain economic value from its disclosure or use; (B) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy; and (C) can reasonably be said to be the end product of significant innovation.

(ii) the term "trade secrets" does not include general proprietary company information such as handbooks and policies. The term "regular access to trade secrets" does not include access to or the use of client, customer or mailing lists.

4. Nothing in this section shall preclude an employer from requesting or receiving student loan payment credit history information pursuant to a lawful subpoena, court order or law enforcement investigation.

5. Subdivision one of this section shall not be construed to affect the obligations of persons required by state or local law relating to disclosures by public employees of conflicts of interest.

6. (a) Except as otherwise provided in this section, it shall be an unlawful discriminatory practice for any state or municipal agency to request or use for licensing or permitting purposes information contained in the student loan payment credit history of an applicant, licensee or permittee for licensing or permitting purposes.

(b) Paragraph (a) of this subdivision shall not apply to an agency required by state or federal law to use an individual's student loan payment credit history for licensing or permitting purposes.

(c) Paragraph (a) of this subdivision shall not be construed to affect the ability of an agency to consider an applicant's, licensee's, registrant's or permittee's failure to pay any tax, fine, penalty or fee for which liability has been admitted by the person liable therefor, or for which judgment has been entered by a court or administrative tribunal of competent jurisdiction, or any tax for which a government agency has issued a warrant, or a lien or levy on property.

(d) Nothing in this subdivision shall preclude a licensing agency from requesting, receiving, or using student loan payment credit history information obtained pursuant to a lawful subpoena, court order or specific law enforcement investigation.

7. This section does not annul, alter, affect or exempt any employer, labor organization, employment agency or any agent thereof subject to the provisions of this section from complying with any local law, ordinance or regulation with respect to the use of student loan payment credit history for employment purposes except to the extent that those laws are inconsistent with any provision of this section, and then only to the extent of such inconsistency. For purposes of this subdivision, a local law, ordinance or regulation is not inconsistent with this section if the protection of such law or regulation affords an employee or job applicant is greater than the protection provided by this section.

§ 2. This act shall take effect immediately.