

STATE OF NEW YORK

9644

IN ASSEMBLY

January 21, 2026

Introduced by M. of A. RAGA -- read once and referred to the Committee on Banks

AN ACT to amend the general obligations law, in relation to clarifying that all wage and cash advances are loans subject to the interest cap and finance charges include any amount paid or payable in connection with a loan

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

1 Section 1. This act shall be known and may be cited as the "Stop
2 Taking Our Pay Act".

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

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

14 1-a. For the purposes of this section, the term "loan" shall include
15 any extension of credit or advance of money on a borrower's future,
16 earned, or potential source of money, including future pay, salary, and
17 earned but unpaid wages or income.

18 2. No person or corporation shall, directly or indirectly, charge,
19 take or receive any money, goods or things in action as interest on the
20 loan or forbearance of any money, goods or things in action at a rate
21 exceeding the rate above prescribed. The amount charged, taken or
22 received as interest shall include any and all amounts paid or payable,
23 directly or indirectly, voluntary or otherwise, by any person, to or for
24 the account of the lender in consideration for making the loan including
25 any discount applied to any amounts advanced, in connection with the
26 loan or forbearance as defined by the superintendent of financial

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

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1 services pursuant to subdivision three of section fourteen-a of the
2 banking law, including fees, charges, tips, subscription costs, and any
3 other amount paid or payable, except such fee as may be fixed by the
4 commissioner of taxation and finance as the cost of servicing loans made
5 by the property and liability insurance security fund.
6 § 4. This act shall take effect immediately.