STATE OF NEW YORK

4207

2025-2026 Regular Sessions

IN SENATE

February 3, 2025

Introduced by Sen. COMRIE -- read twice and ordered printed, and when printed to be committed to the Committee on Banks

AN ACT to amend the banking law, in relation to requiring banks to notify customers of account overdrafts in certain circumstances

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

Section 1. The banking law is amended by adding a new section 135 to read as follows:

§ 135. Account notifications. 1. Where a banking institution under this article offers its customers or depositors overdraft protection, or any other similar service wherein the banking institution charges a fee to prevent account penalties for insufficient funds, such institution shall notify such customer or depositor whenever such service is employed to prevent account penalties.

2. A banking institution shall immediately notify a customer or depositor of the insufficiency of funds in such individual's account or accounts via electronic mail, or if the individual prefers, through any other method of notification. Such notification shall state that the bank's overdraft service has gone into effect and shall list any fees and penalties associated with such service.

§ 2. The banking law is amended by adding a new section 458 to read as follows:

§ 458. Account notifications. 1. Where a banking institution under this article offers its customers or depositors overdraft protection, or any other similar service wherein the banking institution charges a fee to prevent account penalties for insufficient funds, such institution shall notify such customer or depositor whenever such service is employed to prevent account penalties.

2. A banking institution shall immediately notify a customer or depositor of the insufficiency of funds in such individual's account or accounts via electronic mail, or if the individual prefers, through any

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

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other method of notification. Such notification shall state that the bank's overdraft service has gone into effect and shall list any fees and penalties associated with such service.

§ 3. This act shall take effect immediately.