STATE OF NEW YORK

4607

2025-2026 Regular Sessions

IN SENATE

February 10, 2025

Introduced by Sen. SANDERS -- 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 asset-based lending transactions

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 340-a to read as follows:

§ 340-a. Asset-based lending transactions. 1. As used in this section the term "asset-based lending transaction" shall mean a transaction in which advances are made which are contingent on the recipient forwarding payments received from one or more third parties for goods such recipient has supplied or services such recipient has rendered to that third party or parties.

2. All asset-based lending transactions shall be deemed to be loans for all purposes.

§ 2. This act shall take effect on the ninetieth day after it shall have become a law.

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

LBD09226-01-5