

STATE OF NEW YORK

5483

2025-2026 Regular Sessions

IN SENATE

February 21, 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 financial services law, in relation to the jurisdiction of the department of financial services over the financing of motor vehicles; to amend the vehicle and traffic law, in relation to the licensing of motor vehicle dealer finance managers and requiring certain mandatory disclosures by motor vehicle dealers; and to amend the personal property law, in relation to the right of cancellation

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

1 Section 1. Subparagraph (B) of paragraph 2 of subsection (a) of
2 section 104 of the financial services law is amended to read as follows:

3 (B) "Financial product or service" shall also not include the follow-
4 ing, when offered or provided by a provider of consumer goods or
5 services: (i) the extension of credit directly to a consumer exclusive-
6 ly for the purpose of enabling that consumer to purchase such consumer
7 good or service directly from the seller, (ii) the collection of debt
8 arising from such credit, or (iii) the sale or conveyance of such debt
9 that is delinquent or otherwise in default. Provided, however, that the
10 provisions of this subparagraph shall not apply to the sale of motor
11 vehicles. Every sale of a motor vehicle that involves financing, whether
12 originated at a motor vehicle dealer or at a lending institution, shall
13 be deemed to be a "financial product or service" within the jurisdiction
14 of the department.

15 § 2. The opening paragraph of section 205 of the financial services
16 law is designated subsection (a) and a new subsection (b) is added to
17 read as follows:

18 (b) The superintendent may, in such superintendent's discretion,
19 establish a motor vehicle financing bureau, and to promulgate any and
20 all rules and regulations necessary to regulate motor vehicle financing
21 transactions and motor vehicle dealer financing departments.

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

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1 § 3. Paragraphs 6 and 7 of subsection (c) of section 301 of the finan-
2 cial services law are amended and four new paragraphs 8, 9, 10 and 11
3 are added to read as follows:

4 (6) providing technical assistance to local governments and not-for-
5 profits in the development of consumer protection measures with respect
6 to financial products and services; [~~and~~]

7 (7) continuing and expanding the detection, investigation and
8 prevention of insurance fraud[~~+~~];

9 (8) promulgating rules and regulations for motor vehicle dealer
10 finance departments and finance managers;

11 (9) establishing educational materials and/or mandated instruction for
12 motor vehicle dealer finance managers applying for licensing pursuant to
13 paragraph d of subdivision three of section four hundred fifteen of the
14 vehicle and traffic law. No such mandate instruction shall exceed
15 sixteen hours during any biennial licensing period;

16 (10) imposing a licensing and course fee for motor vehicle dealer
17 finance manager applicants pursuant to paragraph d of subdivision three
18 of section four hundred fifteen of the vehicle and traffic law; provided
19 that such fee shall not exceed two hundred dollars for each biennial
20 licensing period; and

21 (11) establishing and imposing penalties, and license suspensions and
22 revocations for violations by motor vehicle dealers and motor vehicle
23 dealer finance managers.

24 § 4. Subdivision 3 of section 415 of the vehicle and traffic law is
25 amended by adding a new paragraph d to read as follows:

26 d. (i) Every dealer which sells motor vehicles that are financed, or
27 which facilitates in any manner the financing of the purchase of any
28 motor vehicle, shall act as or employ an individual to act as the
29 finance manager for such dealer, and every such manager shall be
30 licensed by the department of financial services.

31 (ii) Every licensed finance manager shall have completed such course
32 of instruction as shall be established by the department of financial
33 services.

34 § 5. The vehicle and traffic law is amended by adding a new section
35 419-b to read as follows:

36 § 419-b. Mandatory disclosures by dealers to purchasers regarding
37 pricing. 1. Every dealer shall clearly and conspicuously post:

38 a. the total sales price, which shall include any administrative,
39 service or other fees charged by the dealer, exclusive of all taxes and
40 fees for securing a registration or certificate of title, of each motor
41 vehicle offered for sale at the place of business, by means of a sign on
42 the dashboard of each motor vehicle or by means of a sign at the point
43 of display of each motor vehicle; and

44 b. the total sales price of any add-on product offered for sale by
45 means of a sign at the point of display of each motor vehicle for which
46 such product is available for purchase, or at each location within the
47 dealer's place of business where any such product is offered for sale.
48 Such sign shall inform consumers that the purchase of any add-on product
49 is optional and that the purchase of an add-on product is not required
50 to obtain financing.

51 If multiple add-on products are grouped together on the same sign each
52 add-on product must be listed separately to the right of the
53 description.

54 2. Nothing in this section shall prevent a dealer from selling a motor
55 vehicle or an add-on product at a lower sales price than the price post-
56 ed pursuant to subdivision one of this section.

1 3. Any person who violates subdivision one of this section or any
2 other applicable rule or regulation shall be subject to a civil penalty
3 of not more than the following:

4 a. five hundred dollars for the first violation;
5 b. seven hundred fifty dollars for a second violation committed within
6 one year of the first violation; and
7 c. one thousand dollars for a third or any subsequent violation
8 committed within one year of the first violation.

9 4. For the purposes of assessing a civil penalty, all violations
10 committed by the same dealer on the same day shall count as one
11 violation.

12 § 6. The vehicle and traffic law is amended by adding a new section
13 419-c to read as follows:

14 § 419-c. Mandatory disclosures by dealers to consumers regarding
15 financing. 1. Every dealer shall disclose to each prospective purchaser
16 of a motor vehicle that such purchaser may obtain financing from the
17 dealer or may obtain a loan from a financial institution.

18 2. Every dealer shall verify the income and employment information of
19 each prospective purchaser seeking financing from the dealer. A dealer
20 shall not represent that benefits received as supplemental security
21 income or social security disability income shall be a sole sufficient
22 source of income for the purpose of securing consumer motor vehicle
23 financing.

24 3. Every dealer shall disclose to each prospective purchaser all
25 financing offers received by the dealer, including any mark up in the
26 cost of such motor vehicle. For the purpose of this section, "mark up"
27 shall mean the wholesale annual percentage rate (APR) over which the
28 dealer makes a profit when it negotiates a retail APR with a credit
29 purchaser. No dealer mark up shall exceed two percent for loans with
30 terms of sixty months or less or one and one-half percent for loans with
31 a term over sixty months.

32 4. Dealers shall disclose to each prospective purchaser whenever a
33 loan has an APR that is higher than the average prime offer rate.

34 5. The superintendent of financial services shall create a standard-
35 ized form for financing disclosures.

36 6. Failure by a dealer to comply with this section may result in revo-
37 cation or suspension of the dealer's license.

38 § 7. The vehicle and traffic law is amended by adding a new section
39 419-d to read as follows:

40 § 419-d. Mandatory disclosures by dealers to the department of finan-
41 cial services. Every dealer shall make annual disclosures to the depart-
42 ment of financial services disclosing how many motor vehicle purchasers
43 obtained financing from the dealer and how many motor vehicle purchasers
44 obtained a loan from a financial institution. For each loan financed by
45 the dealer, the dealer shall disclose to the department of financial
46 services the borrower's credit score, motor vehicle monthly payment,
47 estimated income level, employment status, make, model, and value of the
48 motor vehicle purchased, loan amount, and whether there was a co-borrow-
49 er.

50 § 8. Subdivision 3 of section 302 of the personal property law, as
51 added by chapter 633 of the laws of 1956, is amended to read as follows:

52 3. The seller shall deliver to the buyer, or mail to [~~him~~] such buyer
53 at [~~his~~] the address shown on the contract, a copy of the contract
54 signed by the seller. [~~Until the seller does so, a~~] A buyer who has not
55 received delivery of the motor vehicle shall have an unconditional right
56 to cancel the contract and to receive immediate refund of all payments

1 made and redelivery of all goods traded-in to the seller on account of
2 or in contemplation of the contract within forty-eight hours signing the
3 contract or receiving a copy of the contract signed by the seller,
4 whichever is longer. Any acknowledgment by the buyer of delivery of a
5 copy of the contract shall be printed or written in a size equal to at
6 least ten point bold type and, if contained in the contract, shall also
7 appear directly above the legend required above the buyer's signature by
8 [~~sub-division~~] paragraph (a) of subdivision two [~~(a)~~] of this section.
9 § 9. This act shall take effect one year after it shall have become a
10 law.