



New York State ASSEMBLY

Sheldon Silver - Speaker

Thursday, June 2, 2005

Bill Text - A00809

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S T A T E O F N E W Y O R K

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2005-2006 Regular Sessions

I N A S S E M B L Y

January 18, 2005

Introduced by M. of A. P. RIVERA, DESTITO, PHEFFER -- Multi-Sponsored by
-- M. of A. ALFANO, GRANNIS, PEOPLES -- read once and referred to the
Committee on Consumer Affairs and Protection

AN ACT to amend the general business law, in relation to prohibiting
issuers of credit cards from increasing the rate of interest imposed
upon outstanding balance based upon a holder`s indebtedness or late
payments to other creditors

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEM-
BLY, DO ENACT AS FOLLOWS:

- 1 Section 1. The general business law is amended by adding a new section
2 515-a to read as follows:
3 S 515-A. INCREASING RATE OF INTEREST OR IMPOSITION OF FEES FOR INDEBT-
4 EDNESS TO OTHER CREDITORS. 1. NO ISSUER SHALL INCREASE THE RATE OF
5 INTEREST OR IMPOSE A FEE UPON THE OUTSTANDING BALANCE OWED BY A HOLDER
6 WHO HAS MADE ALL PAYMENTS TO SUCH ISSUER IN A TIMELY MANNER AND IN THE
7 MINIMUM AMOUNT REQUIRED. THE HOLDER`S INDEBTEDNESS OR FAILURE TO MAKE
8 TIMELY PAYMENTS TO ANY OTHER CREDITOR SHALL NOT AUTHORIZE AN ISSUER TO
9 INCREASE THE RATE OF INTEREST OR IMPOSE ANY FEE UPON THE ACCOUNT OF SUCH
10 A HOLDER.
11 2. A VIOLATION OF SUBDIVISION ONE OF THIS SECTION SHALL CONSTITUTE A
12 MISDEMEANOR.
13 S 2. This act shall take effect on the first day of the calendar month
14 which commences next succeeding the date on which it shall have become a
15 law.

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets
{ } is old law to be omitted.