AN ACT to amend a chapter of the laws of 2017, relating to establishing the task force on online lending institutions, and providing for its powers and duties, as proposed in legislative bills numbers S. 6593-A and A. 8260-A, in relation to directing the department of financial services to study, evaluate and make recommendations concerning online lending institutions and the effectiveness thereof.

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

Section 1. Section 2 of a chapter of the laws of 2017, relating to establishing the task force on online lending institutions, and providing for its powers and duties, as proposed in legislative bills numbers S. 6593-A and A. 8260-A, is amended to read as follows:

§ 2. [Task force on online lending institutions. 1. There is hereby established a task force on online lending institutions (hereinafter referred to in this section as the "task force") which shall consist of seven members as follows:

(a) three members appointed by the governor;
(b) two members appointed by the temporary president of the senate;
and
(c) two members appointed by the speaker of the assembly.

2. The appointed members shall include individuals representative of the online lending community, the small business community, the financial services industry, and the consumer protection community. Appointments shall take into consideration the expertise of the other appointees, so that the task force reflects a diversity of experience.

3. The members of the task force shall receive no compensation for their services, but shall be allowed their actual and necessary expenses incurred in the performance of their duties pursuant to this section.

4. Any vacancies in the membership of the task force shall be filled in the manner provided for in the initial appointment.

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

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S. 7294
§ 1. The department of financial services is hereby authorized and directed to study and issue a public report with recommendations, concerning the practices, economic impact, and operations of online lending in New York state. This report shall be prepared in consultation with stakeholders, including online lenders, consumers and small businesses.

2. On or before July 1, 2018, the superintendent of financial services shall submit to the governor, the temporary president of the senate, the speaker of the assembly, the chair of the senate standing committee on banks, and the chair of the assembly standing committee on banks, a written report detailing the findings and recommendations on the department's study performed in accordance with subdivision one of this section. Such report shall not include personal identifying information of any borrower. The superintendent shall use reasonable efforts to identify the online lenders currently operating in New York state and shall include the following information in the report:

(i) An analysis of the online lenders presently operating in the state, including the common means and methods of their operations, and business practices of the online lending industry, and prevalence of such practices, including disclosure practices and interest rates and costs charged by online lenders to individuals and businesses in the state; the primary differences between online lending products and services and those made by traditional lending institutions doing business in the state; the risks and benefits of the products offered; and the other forms of credit that would be available to such borrowers in the absence of online lending opportunities;

(ii) The types and availability of credit products for individuals and businesses;

(iii) An analysis of data, if available and accessible, regarding the type and number of complaints, actions and investigations related to online lenders; and

(iv) A survey of the existing state and federal laws and regulations that apply to the online lending industry, and the impact of such laws and regulations on consumers, and the access to credit on online lenders, including but not limited to the availability and cost of such credit opportunities to start up or emerging businesses.

§ 2. Section 3 of a chapter of the laws of 2017, relating to estab-
lishing the task force on online lending institutions, and providing for
its powers and duties, as proposed in legislative bills numbers S.
6593-A and A. 8260-A, is amended to read as follows:
§ 3. This act shall take effect immediately, and shall expire and be
§ 3. This act shall take effect immediately; provided, however that
section one of this act shall take effect on the same date and in the
same manner as a chapter of the laws of 2017, relating to establishing
the task force on online lending institutions, and providing for its
powers and duties, as proposed in legislative bills numbers S. 6593-A
and A. 8260-A, takes effect.