



NEW YORK STATE SENATOR

James Sanders Jr.

Senator James Sanders Jr. Passes Bill that Prohibits Banking Organizations From Issuing Mail-Loan Checks Without A Request or Application For One

JAMES SANDERS JR. May 20, 2021



The New York State Senate today passed a bill (S4894 / A1693) by a vote of 57-5 introduced by State Senator James Sanders Jr. This legislation prohibits banking organizations from issuing mail-loan checks without a request or application, in order to protect consumers from potentially unsafe banking products.

The practice of mailing unsolicited loan checks to consumers can prove confusing to the

consumer with respect to the obligation flowing from his or her endorsement. Additionally, an unsolicited loan check received by mail may be cashed by an unknown payee obligating the payee to repay the loan. This bill would negate the problems noted above.

Senator Sanders said: "The bill passed today would protect consumers from receiving unsolicited mail-loan checks which could make them a target of fraud."