



## Annual Report 2025

New York State Senate Standing Committee on  
**Banks**

# Senator James Sanders Jr.

Chair

Senator Andrea Stewart-Cousins  
President Pro Tempore  
NYS Senate Majority Leader





THE SENATE  
STATE OF NEW YORK



**JAMES SANDERS JR.**  
SENATOR, 10TH DISTRICT

**CHAIRMAN**

BANKS

**MEMBER**

COMMERCE, ECONOMIC DEVELOPMENT  
AND SMALL BUSINESS

INSURANCE

LABOR

PROCUREMENT AND CONTRACTS

RACING, GAMING AND WAGERING

VETERANS, HOMELAND SECURITY  
AND MILITARY AFFAIRS

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December 2025

The Honorable Andrea Stewart-Cousins  
Temporary President and Majority Leader  
New York State Senate  
Albany, NY 12247

Dear Senator Stewart-Cousins:

I am pleased to transmit the Annual Report of the Senate's Standing Committee on Banks for the 2025 Legislative Session. As Chair, I am proud to continue to lead our efforts to address important matters under my committee's jurisdiction.

During the 2025 Session, this Committee met five times in Session and reported 29 bills. The Committee also held a public hearing this past year.

I thank my colleagues who served on the Committee for their efforts and support of the work that was done in the Committee this year, and I thank you for the continued support from the Majority Conference in the Committee's operations.

Sincerely,

A handwritten signature in black ink that reads "J. Sanders Jr." with a stylized flourish at the end.

James Sanders Jr.  
Senator





# 2025 LEGISLATIVE SESSION REPORT

## NEW YORK STATE SENATE STANDING COMMITTEE ON BANKS

**Senator James Sanders Jr.,  
Chairperson**

### **Majority Members**

Senator Jabari Brisport

Senator Kevin S. Parker

Senator Sean M. Ryan

Senator Julia Salazar

### **Minority Members**

Senator George M. Borrello, Ranking Member

Senator Mark Walczyk

### **Committee Staff**

Paul Alexander, Legislative Director

Roberta Barnett, Senior Policy Advisor,  
Majority Counsel/Program



## COMMITTEE JURISDICTION AND OVERVIEW

The New York State Senate Standing Committee on Banks has legislative oversight responsibilities for issues affecting financial institutions that operate in New York State. The Committee addresses issues arising under the New York State Banking Law.

Entities subject to the jurisdiction of the Banks Committee include banks, credit unions, savings banks, savings and loan associations, licensed lenders, licensed check cashers, money transmitters, trust companies, safe deposit companies, bank holding companies, sales finance companies, budget planners, mortgage brokers, mortgage bankers, insurance premium finance agencies, and foreign and private banks.

The bills within the Banks Committee address a broad range of banking concerns from both the industry and consumers, including maintaining the competitive balance among financial institutions, protecting customers' interests, providing financing options, and modifying banking regulations and administration.

During the 2025 Legislative Session, 76 bills were referred to the Committee for its review. Of these bills, 29 were reported by the Committee. A total of 16 passed the Senate, and six passed in both houses. This work was conducted through a series of five committee meetings. A list of all bills that were reported from the Committee is provided at the end of this report.



## COMMITTEE HIGHLIGHTS

The following key bills were acted on by the Committee in 2025:

### **Creates a Private Right Of Action For Mortgage Servicer Violations**

**S.70 (KAVANAGH) / A.2428A (Dinowitz)**

#### **Passed Senate**

This bill creates a private right of action for those who are injured by a mortgage servicer's failure to comply with foreclosure proceeding rules and regulations. This bill also provides that the injured person can assert a counterclaim in an action due to such failure, or, if an action is commenced by the mortgagee or anyone acting on its behalf, bring a third party claim against either the mortgagee and/or the mortgage servicer to enjoin any violations.

### **Prohibits State-Chartered Banking Institutions from Investing in and Providing Financing for Private Prisons**

**S.114 (CLEARE) Same as A.4144 (Reyes)**

#### **Passed Senate**

This bill prohibits New York state-chartered banks from financing private prisons. Private prisons are already prohibited in New York state. New York passed this law because it was widely recognized that it was neither a human practice nor in the public interest. And yet the indirect profiteering from the same activity is still permitted because banks and other investors can still earn income from that activity.

### **Allows the Department of Financial Services to Impose Penalties on Unlawfully Unlicensed Entities**

**S.1290 (KRUEGER) Same as A.1222-A (Bores)**

#### **Passed Senate**

This bill will resolve faults in penalty provisions of the Banking Law, Insurance Law, and Financial Services Law that advantage persons who disregard licensing, registration, and similar authorization requirements. The bill does this imposing a penalty for "prohibited unlicensed acts," which are defined as (1) "engaging in an activity in this state for which (authorization) by the superintendent is required by" the Banking, Insurance, or Financial Services laws or the regulations promulgated thereunder, without being so authorized, and (2) "any act or omission by a person who is required by (the Banking, Insurance, or Financial Services laws or the regulations promulgated thereunder, to be" authorized by the Superintendent to do such business and is not so authorized, "if such act or omission would constitute a violation of the Banking, Insurance, or Financial Services laws) or the regulations promulgated thereunder, if such person were so (authorized)."

### **Relates to Student Financial Aid Award Letters**

**S.4200 (GOUNARDES) Same as A.3464 (Raga)**

#### **Chapter 602**

This new law ensures that the uniform financial aid award letter designed by the Department of Financial Services and the Higher Education Services Corporation includes a listing of a college's net price.

### **Relates to Licensing Consumer Debt Collectors**

**S.4271 (KAVANAGH) Same as A.5537 (Forrest)**

#### **Passed Senate**

The purpose of this bill is to protect consumers against unfair and deceptive debt collection practices and maintain a high level of integrity and professionalism in the debt collection industry, by requiring third party debt collectors and debt buyers to obtain a license from the Department of State.

**Enacts the Uniform Special Deposits Act**  
**S.4323 (KRUEGER) Same as A.5345 (Hunter)**  
**Chapter 583**

This new law creates a versatile new type of bank account - defined in the Act as a “special deposit” -to ensure the safety and certainty of trillions of dollars of common transactions engaged in by New York consumers and businesses every day. The Act will be particularly useful for capital markets centered in New York, providing payment clearing houses and other market participants with a reliable method to make and settle payments, while minimizing risk from insolvency or improper interference by creditors with the disbursement of the deposit to a beneficiary.

**Establishes the New York State Cryptocurrency and Blockchain Study Task Force**  
**S.4728-A (SANDERS) / A.3279 (Vanel)**  
**VETOED MEMO.62**

This bill creates a task force on the effects of the widespread use of cryptocurrencies and other forms of digital currencies and their ancillary systems in New York, including the blockchain.

**Relates to an Exemption from the Licensing Requirements for Servicers of Student Loans**  
**S.7752-A (SANDERS) Same as A.8067-A (Epstein)**  
**Chapter 589**

This new law requires exempt student loan servicers to comply with the student loan servicer reporting requirements under Article 9 of the Financial Services Law to promote greater transparency in the student loan market.

**Directs the Department of Financial Services to Conduct a Study on the Banking Development District Program and to Make Recommendations to Improve Such Program**  
**S.8199 (SANDERS) Same as A.8705 (Vanel)**  
**Passed Senate**

This bill would direct the Department of Financial Services to conduct a study on the Banking Development District Program and to make recommendations to improve such program.

**Extends the Effectiveness of Provisions of Law Relating to Permissible Fees in Connection with Open End Loans**  
**S.8292 (SANDERS) Same as A.8409 (Seawright)**  
**Chapter 144**

The 1996 law recognized that annual fees are a commonly used feature in the pricing of open-end loan products, such as credit cards, home equity loans and personal loans. This type of fee reflects the fact that additional costs are incurred in the administration of revolving loans, such

as the preparation and mailing of monthly billing statements, the processing of transactions and increased monitoring costs. This new law ensures that consumers have access to a variety of credit cards and other financial products in New York state by extending the provisions of the 1996 law for another two years.

**Extends the Effectiveness of Provisions Relating to Limiting the Check Cashing Exemption for National Banks and Other Regulated Entities**  
**S.8299 (SANDERS) Same as A.6870 (Hunter)**  
**Chapter 192**

This new law provides greater certainty, stability and predictability in the industry by extending the sunset date on the provisions of Chapter 591 of the Laws of 2001. The law, which is currently scheduled to expire on August 1, 2025, provides that any separate check cashing

facilities established by banking institutions shall be subject to the existing distance standard which applies to the licensing of check casher operations. This prevents check cashing entities from being located too close to each other.

## PUBLIC HEARINGS, ROUNDTABLES & NOMINATIONS

The New York State Senate Committee on Banks held one hearing in 2025.

The topic of the public hearing was the following: "Is There Discrimination in the New York Home Mortgage Banking Industry?"



## TWO HOUSE BILLS

Bill	Sponsor	Summary	Significant Act
S04200	Gounardes	Requires student financial aid award letters to contain information on net costs, defined as an estimate of the costs of attendance after financial aid which does not require repayment and options for loans which do require repayment. Eff. Date 01/04/2026	Chaptered 602
S04323	Krueger	Enacts the uniform special deposits act to provide for special deposits in the state of New York in a manner uniform to other jurisdictions.	Substituted By A5345 - Chaptered 583
S04728A	Sanders	Establishes the New York state cryptocurrency and blockchain study task force to provide the governor and the legislature with information on the effects of the widespread use of cryptocurrencies and other forms of digital currencies and their ancillary systems, including but not limited to blockchain technology, in the state.	Substituted By A3279A - Vetoed Memorandum 62
S07752A	Sanders	Relates to an exemption from the licensing requirements for servicers of student loans.	Substituted By A8067A - Chaptered 589

## SUMMARY OF COMMITTEE ACTIVITY

<b>Bill No.</b>	<b>Sponsor</b>	<b>Summary</b>	<b>Significant Action</b>
S00070	Kavanagh	Provides that any person who has been injured by reason of any violation of any such rules, regulations or policies as the superintendent may promulgate may bring an action in such person's own name; assert a counterclaim; or, if an action is commenced by the mortgagee or anyone acting on its behalf, bring a third party claim, against either the mortgagee and/or the mortgage servicer to enjoin any violations thereof; authorizes damages; makes related provisions.	Passed the Senate
S00114	Cleare	Prohibits state chartered banking institutions from investing in and providing financing for private prisons.	Passed the Senate
S01290	Krueger	Allows the department of financial services to have additional oversight of banks and insurance companies that are not currently licensed in this state; provides penalties for violations.	Passed the Senate
S01991	Sanders	Relates to including information concerning repayment of outstanding loans in the standard financial aid award letter.	Passed the Senate
S02027	Sanders	Creates a banking development district working group to assess the banking development district program and provide an annual report to the governor and legislature on the strengths and weaknesses of such program; defines unbanked and underbanked.	Passed the Senate
S02040	Gianaris	Requires transmitters of money to provide a warning which informs consumers of certain fraudulent activities that may occur.	Passed the Senate
S02327	Comrie	Requires 10% of the penalties imposed by the superintendent of financial services to be deposited in the community development financial institution fund.	Reported to Senate Finance
S03177	Sanders	Regulates commercial finance licensing; sets forth the application process for such licensing; makes conforming technical changes thereto.	Reported to Senate Finance

<b>Bill No.</b>	<b>Sponsor</b>	<b>Summary</b>	<b>Significant Action</b>
S03615	Sanders	Relates to minority depository institutions which apply to establish a home or branch office in an unbanked or underbanked community; provides that such institutions shall be entitled to receive deposits from the state comptroller and the commissioner of taxation and finance.	Reported to Senate Finance
S03698	Sanders	Directs the superintendent of banks to promulgate rules and regulations requiring licensed cashers of checks to file suspicious activity reports.	Senate Rules
S03789A	Myrie	Relates to civil penalties for certain fraud or misrepresentation of a material fact with respect to a financial product or service.	Senate Rules
S04200	Gouardes	Requires student financial aid award letters to contain information on net costs, defined as an estimate of the costs of attendance after financial aid which does not require repayment and options for loans which do require repayment. Eff. Date 01/04/2026	Chaptered 602
S04228	Comrie	Prohibits certain financial institutions from charging a fee for periodic paper statements when such statements are required for an application for public assistance.	Senate Rules
S04271	Kavanagh	Relates to licensing consumer debt collectors; sets minimum standards and regulations; establishes penalties for violations.	Passed the Senate
S04323	Krueger	Enacts the uniform special deposits act to provide for special deposits in the state of New York in a manner uniform to other jurisdictions.	Substituted By A5345 - Chaptered 583
S04603A	Sanders	Establishes standards for the closure of bank accounts in the state of New York to include providing notice of closure and the return of funds to account owners.	Senate Rules
S04607	Sanders	Deems asset-based lending transactions to be loans for all purposes.	Senate Rules
S04728A	Sanders	Establishes the New York state cryptocurrency and blockchain study task force to provide the governor and the legislature with information on the effects of the widespread use of cryptocurrencies and other forms of digital currencies and their ancillary systems, including but not limited to blockchain technology, in the state.	Substituted By A3279A - Vetoed Memorandum 62

<b>Bill No.</b>	<b>Sponsor</b>	<b>Summary</b>	<b>Significant Action</b>
S05132	Harckham	Requires certain corporations authorized to operate in the state and subject to the supervision of the department of financial services that had annual gross revenues of at least five hundred million dollars (\$500,000,000) in the prior calendar year to annually prepare a climate-related financial risk report for submission to the secretary of state and to make such report available to the public.	Reported to Senate Insurance
S05473	Comrie	Requires certain disclosures by a developer of virtual tokens in advertisements involving such virtual tokens; provides restrictions concerning advertising.	Senate Rules
S07654	Bynoe	Authorizes the superintendent of financial services to oversee and regulate car dealer transactions with consumers; requires motor vehicle retail installment contracts to include an itemized listing of all costs related to the purchase of a motor vehicle and disclosure of the prohibition of conditional delivery; requires motor vehicle dealers to provide credit applicants with copies of all credit application documents; prohibits the conditional delivery of a motor vehicle.	Senate Rules
S07752A	Sanders	Relates to an exemption from the licensing requirements for servicers of student loans.	Substituted By A8067A - Chaptered 589
S08103	Comrie	Requires the department of financial services to comply with the provisions of Executive Order 95 of 2013, "Using Technology to Promote Transparency, Improve Government Performance and Enhance Citizen Engagement", and to provide the New York state office of information technology services and the legislature certain necessary data.	Reported to Senate Finance
S08115B	Sanders	Relates to the use of automated lending decision-making tools by banks for the purposes of making lending decisions; allows loan applicants to consent to or opt out of such use.	Reported to Senate Internet and Technology
S08199	Sanders	Directs the department of financial services to conduct a study on the banking development district program and to make recommendations to improve such program.	Passed the Senate











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