

New York Bill Calls For Study of Online Small Business Loans

June 7, 2016 | [Catherine M. "Cathy" Brennan](#)

In what likely signals the first step in an ongoing campaign to regulate small business lending in the Empire State, [New York Assembly Bill 10440](#), introduced May 27, 2016, would require the Superintendent of [Department of Financial Services](#) to study and issue a report on online small business lending products and platforms that originate from lenders licensed by New York state or advertised to small businesses within the state. The study mandate would capture all online lenders advertising to New York merchants, whether they originate the loans through a bank partnership or directly as an unlicensed lender relying on the law of another state.

The study must address – at a minimum – the following:

- (a) whether online lenders are offering credit at reasonable and transparent interest rates and charging reasonable and transparent fees and payment terms;
- (b) whether lenders offer inclusive and non-discriminatory credit access and observe fair lending practices;
- (c) what type of underwriting is conducted before issuing credit;
- (d) whether lenders report loan repayment information to major credit bureaus and consult the borrower's credit data when underwriting a loan;
- (e) whether lenders are offering small businesses the opportunity for further financial and business planning and the opportunity to establish a more traditional, long-term banking access to credit; and
- (f) a review of any other products or practices the superintendent deems relevant to small business access to capital.

The study must be completed by January 1, 2018.

The New York legislature adjourns June 16, so it seems unlikely that the bill would be approved this session.

[New York-2015-A10440-Introduced](#)

Hudson Cook, LLP provides articles, webinars and other content on its website from time to time provided both by attorneys with Hudson Cook, LLP, and by other outside authors, for information purposes only. Hudson Cook, LLP does not warrant the accuracy or completeness of the content, and has no duty to correct or update information contained on its website. The views and opinions contained in the content provided on the Hudson Cook, LLP website do not constitute the views and opinion of the firm. Such content does not constitute legal advice from such authors or from Hudson Cook, LLP. For legal advice on a matter, one should seek the advice of counsel.

SUBSCRIBE TO INSIGHTS

HUDSON COOK

Hudson Cook, LLP is a national law firm representing the financial services industry in compliance, privacy, litigation, regulatory and enforcement matters.

7037 Ridge Road, Suite 300, Hanover, Maryland 21076
410.684.3200

[hudsoncook.com](https://www.hudsoncook.com)

© Hudson Cook, LLP. All rights reserved. Privacy Policy | Legal Notice
Attorney Advertising: Prior Results Do Not Guarantee a Similar Outcome

