



NY GOVERNOR SIGNS COMMERCIAL FINANCING DISCLOSURE BILL

On December 23, 2020, the New York Governor signed the bill that requires specific disclosures be provided in certain commercial financing transactions. See our prior ALERTS dated [Dec. 14, 2020](#) and [Sept. 15, 2020](#) for details of the law's requirements. Financial institutions are exempt from the disclosure requirements.

The bill states that the act will take effect on the 180th day after it becomes law, but the bill also requires that the Superintendent of the Department of Financial Services prescribe formatting requirements for the disclosures. The bill and accompanying sponsor memo do not address whether the effective date may be adjusted based on when the implementing regulations are finalized.

Although the bill provides that it takes effect in 180 days after it becomes law, as a practical matter businesses will find compliance difficult without the specified regulations.

Commercial lenders should be preparing to comply with both the California Commercial Disclosure Law requirements and the New York commercial disclosures, which differ. If you have any questions or would like assistance with the disclosure requirements, please let us know. ☐

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