



February 17, 2021

NY GOVERNOR SIGNS BILL TO AMEND AND DELAY EFFECTIVE DATE OF COMMERCIAL FINANCING DISCLOSURES

On February 16, 2021, the New York Governor signed S.898, a bill that amends the New York commercial financing disclosure statute to expand the scope of the statute and delay the effective date. See our prior ALERT dated [Dec. 29, 2020](#) for details about the commercial financing disclosure statute.

The bill revises the exemptions to (i) increase the threshold amount for an exempt individual commercial financing transaction to an amount over \$2,500,000 (increased from \$500,000) and (ii) exempt a commercial financing transaction in which the recipient is a dealer (as defined by Section 415 of New York Vehicle and Traffic Law), a rental vehicle company or affiliates of such entities pursuant to a commercial financing agreement of at least \$50,000.

The bill also clarifies that the annual percentage rate that must be disclosed under the commercial financing disclosure statute must be calculated in accordance with the federal Truth in Lending Act and Regulation Z, regardless of whether the act/regulation would require such a calculation. The bill also states that a provider may be ordered to provide restitution as an additional method of relief for violations of the statute.

The bill extends the effective date until January 1, 2022. The Superintendent of the Department of Financial Services may implement any rule or regulation necessary for implementation of the statute on or before the effective date.

If you have any questions or would like assistance with the disclosure requirements, please let us know.

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