



STATE OF NEW YORK
EXECUTIVE CHAMBER
ALBANY 12224

APPROVAL #65
CHAPTER #369

December 23, 2020

MEMORANDUM filed with Senate Bill 5470-B, entitled:

“AN ACT to amend the financial services law, in relation to requiring certain providers that extend specific terms of commercial financing to a recipient to disclose certain information about the offer to the recipient”

APPROVED

This bill would require certain providers of commercial financing to disclose information regarding the amount, pricing, and terms to borrowers prior to accepting the financing.

Several businesses and consumer groups voiced concerns with this bill. While there is shared recognition, even among those in opposition to this bill, that disclosure in general is crucial in helping small businesses make an informed decision when comparing loan products, it is possible that information provided could be misleading and give consumers a false sense of security. Small business financing is complex and it is important for small businesses to fully understand the terms and informatively compare products. I also recognize the challenges some small business lenders may face in order to comply with these disclosure requirements. While there is no strong consensus as to the best approach in how to compare various products, I have secured an agreement with the legislature to make certain technical changes to this bill to better provide clarity and align to existing requirements under Federal Laws, including the Truth in Lending Act. On the basis of this agreement, I am signing this bill.

This bill is approved.

A handwritten signature in black ink, appearing to read "Andrew Cuomo". The signature is stylized with a large, sweeping initial "A" and a long, horizontal stroke at the end.