



NEW YORK STATE SENATOR

Charles J. Fuschillo Jr.

Senate Passes Fuschillo Legislation to Protect Consumers From Being Charged to Obtain Unclaimed Funds in Their Name

CHARLES J. FUSCHILLO JR. June 19, 2012

| ISSUE: **CONSUMER PROTECTION**

Senator Charles J. Fuschillo, Jr. (R-Merrick) today announced that the New York State Senate passed legislation he sponsors to protect consumers from being charged to obtain unclaimed funds. The legislation would require companies that charge a fee to obtain a consumer's unclaimed funds to inform that person that they can obtain the funds on their own free of charge.

“Residents who are owed unclaimed funds do not have to pay a fee to have their money returned to them through the State Comptroller’s Office. However, many consumers don’t know this and are paying companies to perform a service that they can easily do themselves for free. Requiring companies to inform consumers that they can retrieve these funds on their own without a fee will ensure residents can make an informed decision based on the facts before they are charged,” said Senator Fuschillo.

Unclaimed funds are money or the rights to money that have been dormant or forgotten. State law requires banks, insurance companies, utilities, investment companies and many other businesses to turn over inactive accounts to the State. The Office of the State Comptroller holds these funds in trust, serving as a custodian of the funds until they can be

claimed by their rightful owners. Types of unclaimed funds include un-cashed checks, old bank accounts, wages, telephone/utility deposits, stocks and dividends, and mortgage insurance refunds. There are currently more than \$11 billion in unclaimed funds in New York State.

Residents can perform free searches for unclaimed funds through the New York State Comptroller's website, www.osc.state.ny.us or by calling 1-800-221-9311. However, there are companies that charge individuals a fee for performing a search and/or filing a claim. In some cases, the consumer pays an upfront fee, only to find that the amount of unclaimed funds was less than the fee.

Senator Fuschillo's legislation (S7690) would require these companies to inform consumers in writing on all solicitations and agreements that unclaimed funds can be obtained through the State Comptroller's office by their rightful owner without paying a fee. Additionally, the written notice would have to provide the current phone number and website where consumers can contact the Comptroller's Office with regard to unclaimed funds.

"As New York's custodian of more than \$11 billion in unclaimed funds, my office is working hard to return this money to its rightful owners," said New York State Comptroller Thomas P. DiNapoli. "I applaud Senator Fuschillo and Assemblyman Dinowitz for their leadership on the passage of this important legislation. This makes it easier for individuals who are entitled to unclaimed funds to claim their money without charge."

The legislation has also been passed by the Assembly and will be sent to Governor Cuomo for consideration.