



NEW YORK STATE SENATOR

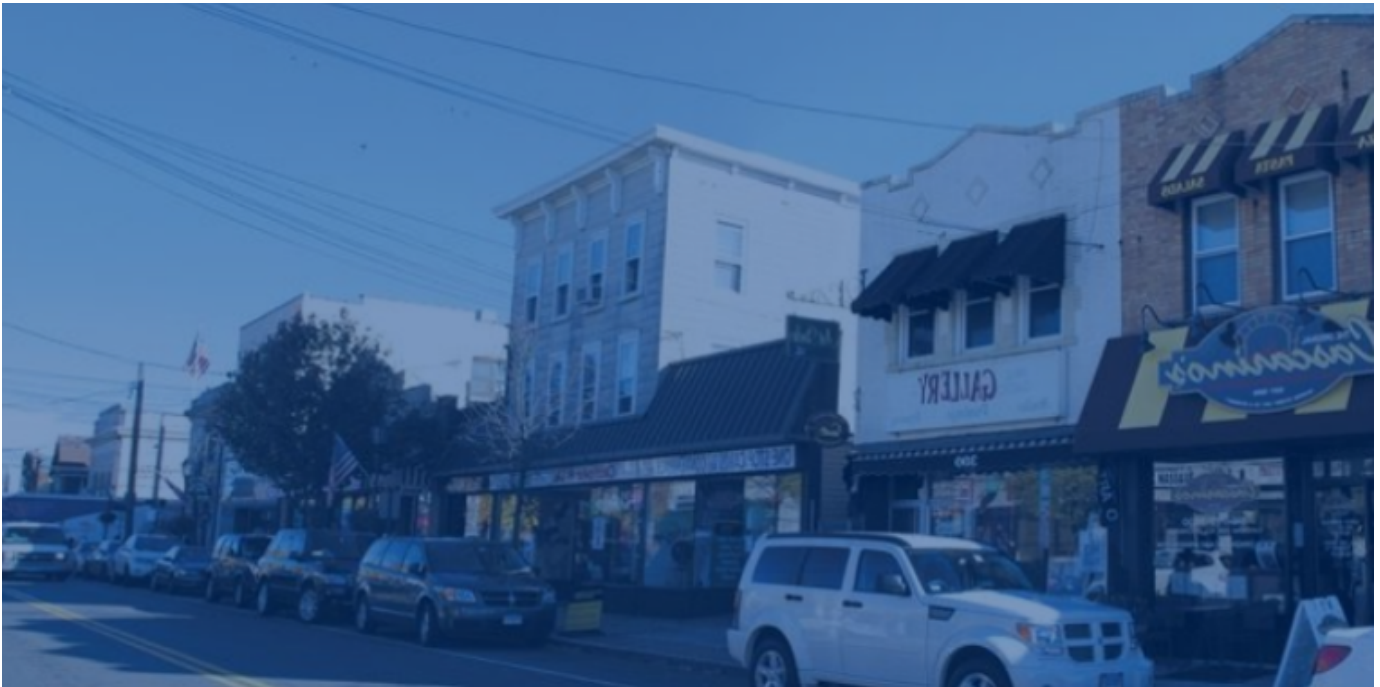
Kevin Thomas

## Senator Kevin Thomas Advances Legislation to Strengthen Protections for Small Businesses Amid COVID-19

EMILY MANCINI July 22, 2020

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# **SENATOR KEVIN THOMAS ADVANCES LEGISLATION TO STRENGTHEN PROTECTIONS FOR SMALL BUSINESSES AMID COVID-19**

## **CHAIRMAN OF CONSUMER PROTECTION SPONSORS NEW BILL PUSHING FOR GREATER TRANSPARENCY IN SMALL-BUSINESS LENDING**

GARDEN CITY, NY — Senator Kevin Thomas (D-Levittown), acting Chairman of the New York State Senate Committee on Consumer Protection, is advancing legislation to strengthen consumer protections and defend small business against predatory lending amid the COVID-19 pandemic.

As COVID-19 has proliferated worldwide, so too have unscrupulous online lenders seeking to take advantage of the crisis at the expense of small businesses. Credit extended for a business or commercial purpose is not covered by the disclosure requirements of the federal Truth in Lending Act, making it difficult for businesses to obtain key financing terms in any standard format. Studies from the Federal Reserve show that online lenders vary significantly in the quality of information that they provide, especially related to costs, allowing some lenders to overcharge or to engage in predatory lending practices that hurt small businesses.

As small businesses begin to reopen their doors, they should have access to the necessary information to make informed, financially-responsible decisions. In response, Senator

Thomas is sponsoring new legislation (S5470B/A10118A) that would require providers to disclose critical information regarding the cost of financing and other key terms to borrowers. This comprehensive disclosure will protect small businesses in their dealings with lenders and creditors. It will also allow borrowers to compare the pricing and costs of a commercial financing across several providers, ensuring that they are able to choose the best possible option for their business.

The legislation is currently on the Senate floor calendar.

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#### RELATED LEGISLATION

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### **2019-S5470B**

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- Introduced
  
- - In Committee Assembly
  - In Committee Senate
  
- - On Floor Calendar Assembly
  - On Floor Calendar Senate
  
- - Passed Assembly
  - Passed Senate

- Delivered to Governor
- Signed By Governor
- 

Requires certain providers that extend specific terms of commercial financing to a recipient to disclose certain information about the offer to the recipient

May 01, 2019

Signed by Governor

Sponsored by **Kevin Thomas**

Do you support this bill?