



NEW YORK STATE SENATOR

Shelley B. Mayer

Mayer Bill to Protect Credit Card Rewards Points Signed by Governor

SHELLEY B. MAYER December 10, 2021

(Albany, NY) – New York State Senator Shelley B. Mayer today announced legislation she sponsored in the Senate, which was sponsored in the Assembly by Assemblywoman Nily Rozic, (S133B/A5698) to protect consumers' credit card rewards points by establishing a set grace period for their use was signed into law by Governor Kathy Hochul.

Consumers have listed rewards programs as among the most important factors when selecting a credit card, but too often companies cancel accounts without providing consumers the opportunity to redeem their rewards points. This law will prohibit such surprise cancellation, which, depending on consumer preference, can amount to a loss of hundreds or even thousands of dollars, and ensures consumers have a grace period during which they can redeem accumulated rewards points.

Credit card companies will be required to inform credit card holders within 45 days if their account or rewards program is modified, cancelled, closed or terminated. Unless the customer has engaged in fraud or misuse of the account, holders will then have 90 days to redeem or exchange their rewards points.

Senator Shelley B. Mayer said: “When consumers save their credit card rewards points for long periods of time, a sudden and unexpected cancellation constitutes a significant loss of

money. I am pleased the notification and grace period required by this new law will increase transparency and provide important consumer protections to New Yorkers. Thank you to my colleagues for their support and Governor Kathy Hochul for signing this legislation.”

Assemblywoman Nily Rozic said: "New York consumers deserve access to the credit card rewards points they earned and transparency about how they are governed. Thank you to Governor Hochul for signing this common sense legislation to protect consumers."

This issue was brought to the attention of Senator Mayer by constituents, Gloria and Wolfgang Armbruster of Bedford who lost over \$50,000 worth of rewards, which they had been saving when, without notice, their credit card company closed their account.

Wolfgang Armbruster said: “It's about time consumers were protected against unjustly stolen rebate awards from unscrupulous banks and credit card companies. In our case, my wife and I had accumulated over 1 million Citibank thank you reward points and a lifetime of transacting with Citibank credit cards. Literally in the middle of the night without warning, Citibank confiscated all of our points with explanation citing they had the contractual right to seize points at any time and for no reason at all.”

This law will take effect on Dec. 10, 2022, and will apply to all credit card agreements entered into, renewed, modified or amended after that date.