

New Law Requires New York State Chartered Financial Institutions to Cash Certain Checks

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New York State Governor Kathy Hochul has signed into law New York State [Senate Bill S7535A](#), which adds New York Banking Law [Section 9-Z](#) requiring a New York State chartered financial institution to cash certain checks drawn on the institution if certain conditions are met. The law becomes effective March 30, 2023 and applies to New York State chartered banks, trust companies, savings banks, savings and loan associations, and credit unions.

Section 9-Z provides that covered financial institutions may not refuse to cash a cashier's check, a payroll check, or a certified check in the amount of five hundred (\$500.00) dollars or less drawn on an account at such institution as long as there are sufficient available funds in the account on which the check is drawn. Such institutions may, as a condition to cashing such check, require the payee to present both a valid government-issued photo identification and matching proof of address such as a bank statement, utility bill or printed pay stub. If the payee provides a form of identification required under Section 9-Z, and a signature or mark, and the financial institution refuses to cash the check in the absence of suspected fraudulent activity, such institution shall be guilty of a violation of Section 9-Z and subject to penalties under the Banking Law.

This advisory is a general overview of Section 9-Z and is not intended as legal advice.

If you have any questions about Section 9-Z, please feel free to contact Joseph D. Simon at (516) 357-3710 or via email at jsimon@cullenllp.com, Kevin Patterson at (516) 296-9196 or via email at kpatterson@cullenllp.com, Elizabeth A. Murphy at (516) 296-9154, or via email at emurphy@cullenllp.com, or Gabriela Morales at (516) 357-3850 or via email at gmorales@cullenllp.com.

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