



strength in members.

**The New York Credit Union Association
SUPPORTS S.9121 (Mayer)/ A.10490 (Rozić)**

**Postpones the effectiveness for grace periods for the use of
credit card reward points**

The New York Credit Union Association (the Association) **SUPPORTS** S.9121/A.10490, which would postpone by one year the effective date of legislation giving consumers ninety (90) days for the use of credit card reward points on accounts that have been closed or modified.

By way of background, credit unions are local, member-owned, not-for-profit cooperatives that exist to promote thrift and provide access to credit for provident purposes. Their mission is to help consumers, particularly those of modest means, get to a better place financially. New York's credit unions, having over six million members, play a vital role in the state's economy but also in the lives of many New Yorkers. Day after day, credit unions work with their members, regulators, and third-party vendors to ensure that consumers receive optimal benefits while maintaining compliance with numerous state and federal rules and regulations.

Credit card reward points are an important consumer benefit which have grown in sophistication and scope in recent years. In their most basic form, financial institutions provide points to consumers who use an issuer's credit card. These points can be redeemed for a broad range of services such as travel miles or merchant discounts. The legislation, passed last year, mandated a ninety-day grace period to redeem these points when a points program is terminated or modified.

While most credit unions, as smaller community-based lenders, do not offer the broad range of point programs provided by the largest credit card issuers and did not oppose the initial legislation, they nevertheless, face continuing operational challenges in complying with the ninety-day grace period. An additional one-year extension of the effective date will ensure impacted institutions have the time necessary to comply with this new mandate.

The New York Credit Union Association, representing over 300 New York credit unions, **SUPPORTS** this legislation.

For further information on this legislation, please contact Henry Meier, General Counsel and Senior Vice President of NYCUA at (518) 437-8144 or via email at henry.meier@nycua.org.