



*CULLEN and DYKMAN* LLP

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LONG ISLAND ■ BROOKLYN ■ MANHATTAN ■ WASHINGTON, D.C. ■ NEW JERSEY

## **CHANGE IN WORDING TO NEW YORK STATE CO-SIGNER NOTICE**

The wording of the required notice that must be provided to co-signers under New York State law on consumer credit transactions and consumer credit accounts has been amended, effective as of December 3, 2008.

New York State law requires lenders in consumer credit transactions (closed end loans) and consumer credit accounts (open end credit accounts) to provide a notice to a co-signer before the co-signer becomes obligated on the transaction or account. A co-signer is defined as a natural person who becomes obligated on the transaction or account as a co-signor, co-maker, guarantor, endorser or surety, but who does not receive the property, services, or money that is the subject of the transaction or account. A borrower or co-borrower on the transaction or account will generally not be deemed a co-signer.

The form of co-signer notice is set forth in New York General Obligations Law Section 15-702. Pursuant to a recent amendment to Section 15-702, the form of notice has been changed to inform the co-signer that if the debt is ever in default, that fact may become part of the co-signer's credit record. Copies of the new form of co-signer notice for both consumer credit transactions and consumer credit accounts are attached hereto. These new forms must be used as of December 3, 2008.

Other than the change in the wording of the notice, no other changes have been made with respect to the co-signer notice requirements. The notice must still be in at least 10 point type and it may be on a separate sheet, attached to a guaranty or similar instrument, or part of the note, contract or other writing evidencing the consumer credit transaction.

Please note that certain federally chartered institutions may be subject to different or additional co-signer notice requirements under federal law.

If you have any questions regarding the co-signer notice requirements, please feel free to contact Joseph D. Simon at (516) 357-3710 or at [jsimon@cullenanddykman.com](mailto:jsimon@cullenanddykman.com).

12/01/08

**[NOTICE FOR CONSUMER CREDIT TRANSACTIONS]**

NOTICE

You agree to pay the debt identified below although you may not personally receive any property, services, or money. You may be sued for payment although the person who receives the property, services, or money is able to pay. You should know that the Total of Payments listed below does not include finance charges resulting from delinquency, late charges, repossession or foreclosure costs, court costs or attorney's fees, or other charges that may be stated in the note or contract. You will also have to pay some or all of these costs and charges if the note or contract, the payment of which you are guaranteeing, requires the borrower to pay such costs and charges. If this debt is ever in default, that fact may become a part of your credit record. This notice is not the note, contract, or other writing that obligates you to pay the debt. Read that writing for the exact terms of your obligation.

IDENTIFICATION OF  
DEBT(S) YOU MAY HAVE TO PAY

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(Name of Debtor)

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(Name of Creditor)

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(Date)

----- \$ -----  
(Kind of Debt) (Total of Payments)

I have been given a completed copy of this notice and of each writing that obligates me or the Debtor on this debt.

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(Date)                      (Signed)

**[NOTICE FOR CONSUMER CREDIT ACCOUNTS]**

NOTICE

You agree to pay the debts incurred from time to time on the account identified below although you may not personally receive any property, services, or money. You may be sued for payment although the person opening the account is able to pay. You should know that the Limit of Liability listed below does not include court costs or attorney's fees, or other costs or charges that may be stated in the agreement. You will also have to pay some or all of these costs and charges if the agreement for the consumer credit account, payment of which you are guaranteeing, requires the borrower to pay such costs and charges. If any debt incurred on the account is ever in default, that fact may become a part of your credit record. This notice is not the agreement, or other writing that obligates you to pay. Read that writing for the exact terms of your obligations and of your rights to limit or end your obligations.

IDENTIFICATION OF  
ACCOUNT(S) YOU MAY HAVE TO PAY

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(Name of Debtor)

-----  
(Name of Creditor)

-----  
(Date)

----- \$ -----  
(Kind of Account) (Limit of Liability)

I have been given a completed copy of this notice and of each writing that obligates me or the Debtor on this account.

----- (Date) ----- (Signed)