

**PRESS RELEASE FROM
PRESIDING OFFICER WILLIAM LINDSAY**

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Presiding Officer Lindsay Proposes Law To Require Layaway Plan Fees Disclosure

HAUPPAUGE, NY, JANUARY 17, 2012 – Suffolk County Legislature Presiding Officer William J. Lindsay has proposed a law that would require Suffolk County stores offering consumers layaway plans to reveal all hidden fees they charge in those plans.

“These fees can add extraordinary costs to layaway purchases,” said PO Lindsay. “Some layaway programs charge the equivalent of an 81% annual percent interest rate on a credit purchase. If these layaway purchases were categorized as credit transactions, they would be found in violation of the state’s usury law, which prohibits loan interest rates above 16%. Consumers should be made aware of all fees prior to agreeing to a layaway purchase.”

The legislation proposed by PO Lindsay would require retail stores operating in Suffolk County with layaway programs to prominently post the fees associated with their programs, as well as a calculation of the equivalent APR a customer would pay for a \$70 purchase, a \$100 purchase, and a \$200 purchase based on the layaway fees charged.

“Legislator Lindsay’s proposal is a very good thing and will help make sure that consumers can make informed decisions about the costs of layaway, before they make a purchase,” said Senator Chuck Schumer. “Suffolk County often leads the way locally on consumer protection issues. If retailers want to offer layaway programs and charge sky-high fees for doing so, the least they can do is be forthright about how the costs, so that shoppers can make more informed decisions about the most cost-effective way to pay for their purchases.”

PO Lindsay said that a press conference Senator Schumer help during the holiday season about the high cost of some layaway plans was the inspiration for drafting the legislation.

The legislation directs the Commissioner of the Department of Consumer Affairs to draw up rules and regulations for the implementation and enforcement of the law.

A public hearing on the legislation will be held at 2:30 p.m. at the County Legislature’s general meeting on Tuesday, February 7 at the William H. Rogers Legislative Auditorium in Hauppauge.