THE WEEKLY SWEEP – NORTHEAST FINANCIAL SERVICES REGULATOR ACTIVITY

June 8th, 2026 | and Thomas P. Quinn, Jr.

The latest Weekly Sweep highlights significant developments from New York regulators involving auto finance practices, small business financing, consumer restitution, digital assets, and emerging concerns surrounding pricing transparency.

Recent actions by the New York Attorney General and Department of Financial Services demonstrate continued scrutiny of consumer-facing practices, dispute resolution processes, and evolving financial products, reinforcing New York's active approach to financial services regulation and enforcement.

Key Developments

New York – Attorney General Settlement with Captive Finance Company Provides Consumer Restitution

Summary:

New York Attorney General Letitia James announced an Assurance of Discontinuance with a captive finance company resolving allegations that unauthorized fees were added and vehicle purchase prices were misrepresented when consumers sought to purchase leased vehicles at the end of their lease terms. According to the Attorney General, the settlement will make restitution available to affected consumers. The action continues the Attorney General's broader effort to address alleged deceptive practices in vehicle lease buyout transactions.

Press Release:
New York Attorney General Press Release

Assurance of Discontinuance:
Assurance of Discontinuance

New York – Attorney General Challenges Arbitration Practices in Merchant Cash Advance Industry

Summary:

New York Attorney General Letitia James filed suit against an arbitration provider and its founders, alleging that the organization falsely presented itself as a neutral arbitration forum while operating in a manner designed to benefit participants in the merchant cash advance (MCA) industry. According to the Attorney General, the arbitration provider was created in coordination with an MCA company and utilized rules that favored industry participants in disputes involving small businesses. The lawsuit reflects continued scrutiny of MCA-related practices and highlights regulatory concerns regarding the fairness and independence of dispute resolution mechanisms used in small business financing transactions.

Press Release:
New York Attorney General Press Release

Petition:
Attorney General Petition

New York – DFS Consent Order with Licensed Lender

Summary:

The New York Department of Financial Services entered into a consent order with a licensed lender concerning extension fees assessed in connection with certain auto loans. According to DFS, consumers were informed that loan extensions would incur a single $25 fee, while the fee was allegedly charged monthly during the extension period. Although the practice ceased in 2017 and was identified during an examination covering activity from 2016 through 2018, DFS issued the consent order in 2026. The settlement requires restitution to impacted consumers and includes a civil monetary penalty. The action demonstrates regulators' willingness to pursue consumer remediation long after a practice has ended.

Consent Order:
New York DFS Consent Order

New York – DFS Seeks Public Comment on Proposed Stablecoin Regulation

Summary:

The New York Department of Financial Services (DFS) has issued a pre-proposed regulation governing the issuance of stablecoins. The proposal would establish a regulatory framework addressing reserve requirements, redemption rights, operational standards, and supervisory expectations for entities engaged in stablecoin activities. DFS is seeking public comment on the proposal, with comments due by June 22, 2026. The proposal reflects New York's continued efforts to shape the regulatory landscape for digital assets and may provide insight into how state regulators approach stablecoin oversight moving forward.

DFS Press Release:
New York DFS Press Release

Pre-Proposed Regulation:
Proposed Stablecoin Regulation

New York – Legislature Advances Ban on "Surveillance Pricing"

Summary:

The New York State Assembly passed the "One Fair Price Act," legislation designed to prohibit the use of consumer data to vary pricing among customers purchasing the same product. The bill targets so-called "surveillance pricing," which may rely on personal information such as browsing behavior, income, or other characteristics to determine individualized prices. The legislation now awaits action by Governor Hochul. If enacted, the measure would represent one of the most significant state-level efforts to regulate algorithmic and data-driven pricing practices.

Press Release:
New York Attorney General Press Release

Why It Matters

The developments highlighted this week demonstrate New York regulators' continued focus on consumer protection, market transparency, and emerging financial technologies. Recent enforcement activity reflects ongoing scrutiny of fees, pricing practices, and consumer disclosures, while proposed stablecoin regulations and pending legislation targeting surveillance pricing signal broader efforts to address risks associated with digital assets, data-driven decision-making, and evolving financial services markets. Financial services providers should continue to monitor regulatory developments and evaluate their practices for compliance with changing state regulatory expectations.

Related Content

For additional analysis and ongoing coverage of state and federal developments, explore the following Hudson Cook and CounselorLibrary resources:

CounselorLibrary Reporters – In-depth coverage of enforcement, litigation, and regulatory trends impacting consumer financial services

https://counselorlibrary.com/public/products-lr.cfm

State Watch – Timely updates on state-specific legislative and regulatory activity

https://hudco.com/insights-subscribe.cfm

Upcoming Webinars – Practical insights and discussion on emerging issues, including recent Attorney General actions

https://hudco.com/news.cfm?itemType=event

Hudson Cook will continue to monitor regulatory developments across the Northeast. For further analysis or guidance on navigating these issues, please contact Tom Quinn at tquinn@hudco.com.