



NEW YORKERS FOR RESPONSIBLE LENDING

2024 NYRL Policy Platform

New Yorkers for Responsible Lending (NYRL), a statewide coalition of 160 non-profit organizations, promotes economic justice as a matter of racial and community equity.

NYRL's policy platform reflects NYRL members' experiences working with consumers in communities across New York State to address economic challenges, inequities, and injustices New Yorkers face.

Key Priority:

- **Pass the Consumer and Small Business Protection Act (CSPA):** NYRL strongly supports **A.7138 (Weinstein) / S.795 (Comrie)** to amend New York's primary consumer protection statute (GBL § 349) to conform with the majority of state consumer protection laws that broadly prohibit unfair business practices. These predatory practices target and extract wealth from people of color, in communities with fewer safe options due to decades of systemic racism. The bill enhances access to justice for consumers and small businesses harmed in financing, mortgages and housing, insurance, student loans, and other transactions. The bill also simplifies pleading requirements and updates the outdated damages cap set 40 years ago.

NYRL Workgroup Priorities

Consumer Finance

- **Promote Strong and Consistent Protections for All Types of Consumer Debt:** NYRL supports the **Consumer Debt Uniformity Act, A.5368 (Epstein) / S.4750 (Thomas)** which extends rules and protections for consumer credit transactions to all consumer debt. These protections include those passed in 2021 under the Consumer Credit Fairness Act such as the three-year statute of limitations, requirement to provide proof of ownership of the debt when suing, and better notice to defendants.
- **Keep Payday Loans and Other Predatory and Usurious Financial Products Out of NYS and Encourage Safe Alternatives:** These products lead to an inescapable debt trap that strip assets from lower-income consumers. NYRL strongly opposes any effort to evade NY's strong usury laws, including attempts to expand check casher services, permit access to high-cost credit, or introduce novel, high-cost loan products in previously unregulated contexts such as "earned wage advances," pension advances, litigation funding, or employer wage advances. Our state must also be vigilant against the new wave of credit services through fintech and other means that threaten New York's interest rate cap. NYRL **opposes A.5053 (Vanel)** or other similar bills that would carve earned wage advances out of the state's usury



limits. NYRL supports Gov. Hochul’s proposed language in the budget to license and regulate Buy Now Pay Later (BNPL) lenders.

- **Curb Predatory Auto Lending:** Many New Yorkers depend on personal vehicles, and some car dealers take advantage of this by offering high interest loans, often without regard for the credit history of the borrower. The car-buying experience should be made more transparent and equitable. NYRL supports legislation to address predatory subprime auto lending, impose caps on interest-rate markups, and require clear disclosure of all fees and add-ons. NYRL also supports **A4485 (Zebrowski) / S4774 (Sanders)**, which restores the interest rate cap for auto lending that applies to most other consumer transactions in NYS.
- **Protect Consumers Facing Debt Collection, Including Abusive Collection Lawsuits:** NYRL will continue to monitor any legislation as it arises related to debt collection, including legislation related to debt settlement companies.

Insurance

- **Prohibit the Use of Credit Report Data and Other Socioeconomic Factors in Insurance Rating and Underwriting:** NYRL supports **A.843A (Peoples-Stokes) / S.6685 (Parker)** which bans the use of credit reports and other socioeconomic factors in the underwriting and pricing of home and automobile insurance. Insurers’ use of this data often has a disparate impact on communities of color and disproportionately burdens lower-income New Yorkers with higher insurance costs.
- **Enact Fair Consumer Protections for Auto Insurance Telematics Programs:** NYRL supports **S.553 (Thomas)** to require auto insurers to define, explain and justify the factors they use in telematics programs to assess consumers’ driving behavior and calculate their premium, protect privacy and guard against unfair discrimination. NYRL **opposes A.7614 / S.7129 (Stern/Breslin)** unless amended because it fails to provide essential consumer protections or adequate oversight and regulation of telematics programs.
- **Homeowners’ Insurance Data Disclosure:** NYRL supports requiring residential property insurers to disclose data regarding the geographic locations of policies written, premiums collected, and losses incurred. Transparency regarding where insurers are writing homeowners’ policies will help ensure fair access to affordable, quality insurance for homeowners in low-income communities and communities of color.

Homeownership

- **Property Tax Lien Foreclosure Issues:** NYRL supports the Tax Lien Foreclosure Bill of Rights, **A.4935 (Weinstein) / S.5213 (Thomas)** which provides for a pre-foreclosure notice, settlement conference process, lower default interest rate and ensures the homeowner has access to excess funds from a sale, consistent with recent U.S. Supreme Court precedent.



Struggling New York homeowners are threatened by tax lien sales and foreclosures that have one common failing—the absence of home-saving protections applicable to mortgage foreclosures. Tax lien foreclosures disproportionately impact seniors, low-income homeowners, and communities of color. No home should be lost without basic protections such as notice of resources and an opportunity to negotiate a resolution.

- **Making DFS mortgage servicing regulations enforceable:** NYRL supports **A.2131A (Dinowitz) / S.564A (Kavanagh)** which allows homeowners to raise as a defense to a foreclosure action material violations of New York State’s mortgage servicing regulations (3 NYCRR Part 419) or bring an affirmative claim when the violation harms the homeowner. The regulations are often flagrantly violated by mortgage servicers who lack incentive to comply because the homeowner has no recourse, in contrast to comparable federal regulations which have a private right of action.
- **Restoration of Funding for the Homeowner Protection Program (HOPP) in the budget:** HOPP supports **A.7636A (Solages) / S.7297A (Kavanagh)** which would ensure the continuation of New York’s HOPP program, which ensures homeowners have access to free, reputable assistance from housing counseling and legal services in every county of New York State, and it supports the restoration of the \$40 million omitted from the Governor’s Executive Budget in the final budget, so that the state’s investment in this vital program is not discarded and so that distressed homeowners are not left at the mercy of deed theft, loan modification and partition scammers targeting vulnerable seniors and homeowners in communities of color.
- **Combating predatory "zombie" second foreclosures:** NYRL advocates for legislation to curb abuses associated with foreclosures on "zombie" second mortgages, a phenomenon that threatens the stable homeownership of tens of thousands of New York homeowners, mostly first-time homebuyers in communities of color who were targeted for origination of “80/20” loans in the mid-2000s. Abandoned after the inception of the foreclosure crisis, these loans are now being bought by unscrupulous debt buyers because of the increase in home values, sometimes 10 or 15 years after the homeowner thought they had resolved the debt. NYRL’s legislative proposals include requiring debt buyers to divulge important information about their acquisition and purchase of the second mortgage before being able to foreclose, to give homeowners a fair shot at negotiating a home-saving resolution with these entities, most of whom are speculators looking to strip equity from longstanding homeowners in communities with appreciating real estate values.

Student Lending

- **Sustained Funding for the Education Debt Consumer Assistance Program (EDCAP):** EDCAP provides outreach, education, and direct assistance to student debt borrowers across NYS to manage (and potentially eliminate) their debt. The inefficient resumption of student loan payments, changes to federal programs, and loan servicing issues make EDCAP’s financial



counseling services more crucial than ever. NYRL supports \$3.5 million in funding for EDCAP for FY25 to continue this vital program.

- **Student Loan Repayment Notification Act:** NYRL supports **A.1873 (Kim) / S.346 (Gounardes)** which provides for a financial education notice to be given by employers to new hires into positions requiring an associate’s degree or higher. To be developed by the Commissioner of Labor, Commissioner of the Higher Education Corporation and Department of Financial Services, the notice will include information about repayment options, consolidation, loan forgiveness, New York resources and more.
- **Private Student Loan Consumer Protections:** NYRL supports **A.3155 (Zebrowski) / S.362 (Thomas)** which instills consumer protections for student borrowers of private loans and their co-signors (primarily seniors). The bill requires basic information to be provided in lawsuits by debt collectors and prohibits robo-signing. The bill also includes enhanced disclosures, simplifies the process for co-signors to be released, and prohibits acceleration based on a co-signer’s death or bankruptcy.
- **Private Education Debt Registry:** NYRL supports **A.5286 (Epstein) / S.5056 (Thomas)** which requires private higher education lenders to register with the Department of Financial Services and provide annual reporting on their student debt portfolios. There is a major gap in understanding the true student debt load of New Yorkers because this information is not currently collected. Greater knowledge will inform policymakers and lead to better programs or protections.