



NEW YORKERS FOR RESPONSIBLE LENDING

2025 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.5287 (Lasher) / S.105 (Comrie)** to amend New York's primary consumer protection statute (GBL § 349) to conform with the majority of states' 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 The bill also simplifies pleading requirements and updates the outdated damages cap set 40 years ago.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

- **Protect Consumers from Unfair Debt Collection.** NYRL supports reforms that will protect New York consumers from unfair debt collection. Accordingly, NYRL supports the **Consumer Debt Uniformity Act, A.57 (Epstein) / S.5546 (Hoylman-Sigal)**, 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. There is no reason some debts, such as credit cards, should be treated differently from others, such as unpaid tuition – a debt is a debt! NYRL also supports the **Coerced Debt Bill, A.3038 (Rosenthal) / S.1353 (Cleare)**, which would protect domestic violence victims from financial exploitation. NYRL supports **ending debtors' prisons in New York** by reforming New York's contempt process for consumer judgment debtors. NYRL supports **A.3318 (Dinowitz) / S.926 (Kavanagh)**, which would promote accountability in consumer arbitration proceedings by requiring certain private arbitration organizations to publish data about the arbitrations that they conduct.



- **Keep Predatory Lending Out of New York.** NYRL seeks to keep predatory lending out of New York and defend New York’s historically strong usury laws. Accordingly, NYRL supports the **End Loan Sharking Act, A.4918 (Raga) / S.1726 (Brouk)**, which would plug holes in New York’s usury laws by clarifying that all financing transactions, such as rent to own, earned wage access, merchant cash advances, retail installment contracts, or litigation funding, are “loans” that are subject to protections against usury. Some loans shouldn’t be treated differently from others – a loan is a loan! NYRL opposes efforts to exempt innovative financing transactions from New York’s strong usury laws, such as bills that would define “earned wage access” (EWA) programs as not being loans.
- **Prohibit the Use of Credit History in Employment-Related Decisions.** NYRL supports **A.1316 (Dinowitz) / S.3072 (Sanders)**, which would generally prohibit an employer or potential employer from using a job applicant’s or employee’s consumer credit report in deciding to hire, terminate, promote, demote, discipline, compensate, or set the terms, conditions, or privileges of employment. Such use is already prohibited in New York City, resulting in a two-tiered system in New York State that this bill would remedy. Declining employment to individuals because of negative credit history only exacerbates the financial distress suffered by those burdened by debt.

Insurance

- **Prohibit the Use of Credit Report Data and Other Socioeconomic Factors in Insurance Rating and Underwriting:** NYRL supports **A.1273 (Peoples-Stokes) / S.4082 (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 legislation 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 proposed legislation that would allow telematics programs without providing essential consumer protections or adequate oversight and regulation.
- **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

- **Fund the Homeowner Protection Program (HOPP) in the Budget:** NYRL supports the continued funding of the HOPP program as proposed in the Governor’s proposed budget, and supports **A.1625 (Solages) / S.2627 (Kavanagh)**, which would codify the program amongst New York’s other tools combating threats to homeownership, ensuring the continuation of New York’s HOPP program, which ensures homeowners have access to free, reputable assistance from housing counseling and legal services agencies in every county of New York State. Codifying the HOPP program is essential to ensure that distressed homeowners are not left at the mercy of deed theft, loan modification, and partition scammers who target vulnerable seniors and homeowners in communities of color.
- **Combat 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 and thousands of New York homeowners, mostly first-time homebuyers in communities of color who were targeted for origination of predatory “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 resolved their debts on their first mortgages. NYRL supports a bill that would require debt buyers to disclose 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, disproportionately impacting seniors and homeowners of color.
- **Make DFS Mortgage Servicing Requirements Enforceable:** NYRL supports **A.3348 (Dinowitz) / S.70 (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.
- **Continue to Work Towards Solving Property Tax Lien Issues:** NYRL supports the **Tax Lien Foreclosure Bill of Rights, A.4445 (Dilan) / S.5480 (Comrie)**. The Bill of Rights would provide 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 foreclosure 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. We will endeavor to make property tax lien issues tractable and fair for homeowners. Diluted legislation embodied in last year’s budget failed to address the problem coherently, and NYRL urges enacting comprehensive legislation that



would address the need to replicate protections taken for granted in mortgage foreclosure cases in the tax lien foreclosure context.

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. With the new federal policy changes creating confusion and the inefficient resumption of student loan repayment post COVID-19, the need for EDCAP's services has never been greater. NYRL supports \$3.5 million in funding for EDCAP for FY26 to continue this vital program.
- **Private Student Loan Consumer Protections:** NYRL supports **A.4922 (Levenberg) / S.5598 (May)** 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-signers to be released, and prohibits acceleration based on a co-signer's death or bankruptcy.
- **Protections for Students with Direct-to-School Debt:** When students owe debt directly to their institution, they are often barred from readmission and subjected to aggressive collection practices. Preventing readmission unless the balance is paid in full creates a significant disadvantage for students, particularly those in rural areas with no other higher education options. We must address these challenges in NYS, particularly for SUNY and CUNY students.
- **Student Debt Forgiveness Tax Exemption:** All student debt forgiven under a federal relief program should be exempt from NYS income tax. An existing bill has protected borrowers that received this kind of forgiveness from tax implications up until 2025. NYRL supports extending this exemption indefinitely.