



NEW YORKERS FOR RESPONSIBLE LENDING

2026 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

- **Protect consumers from unfair and abusive business practices:** NYRL strongly supports efforts to amend New York's primary consumer protection statute (GBL § 349) to align with the majority of state consumer protection laws, known as **Unfair, Deceptive, or Abusive Acts or Practices (UDAAP)** Laws, that broadly prohibit unfair and abusive business practices and empower consumer victims to directly enforce that prohibition. Predatory practices disproportionately target and extract wealth from communities of color, particularly in neighborhoods with fewer safe and affordable options due to decades of systemic racism. Stronger protections would enhance access to justice for consumers and small businesses harmed in financing, mortgages and housing, insurance, student loans, and other transactions.

NYRL Workgroup Priorities

Consumer Finance

- **Protect consumers from unfair debt collection.** NYRL supports reforms that will protect New York consumers from unfair debt collection and predatory debt settlement products. Accordingly, NYRL supports reforms to the collection of **nursing home debt**, including the **Consumer Debt Uniformity Act, S.5546B (Hoylman-Sigal) / A.10182 (Taylor)** (new Senate sponsor forthcoming), 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 supports **ending debtors' prisons in New York** by reforming New York's contempt process for consumer judgment debtors. NYRL supports **S.926 (Kavanagh) / A.3318 (Dinowitz)**, 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 opposes efforts to exempt innovative financing transactions from New York’s historically strong usury laws. Accordingly, NYRL supports the **Stop Taking Our Pay (STOP) Act, S.8939 (Brouk) / A.9644 (Raga)**, which would reaffirm that online payday loan products such as Earned Wage Access apps are subject to New York banking and usury laws, and the **End Loan Sharking Act, S.1726 (Brouk) / A.4918 (Raga)**, which would comprehensively 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.
- **Improve price transparency in New York.** NYRL supports the **New York Junk Fee Prevention Act, S.363A (Gianaris) / A.9604 (Torres)**, which would require clear and conspicuous pricing for products and services sold in New York State. This legislation would amend the General Business Law to add a new section requiring that businesses offering goods or services to purchasers in the state disclose the “total price,” inclusive of any mandatory charges or fees that are required to complete the purchase. By ensuring that consumers can get access to the full price at the outset of the transaction, the New York Junk Fee Prevention Act will improve price transparency and empower consumers to more easily compare prices charged by competing sellers.

Insurance

- **Prohibit the use of credit report data and other socioeconomic factors in insurance rating and underwriting:** NYRL supports the **Fair Auto Insurance Pricing Act, S.4082 (Parker) / A.1273 (Peoples-Stokes)**, which would prohibit motor vehicle insurers from discrimination based on socioeconomic factors in determining algorithms used to construct actuarial tables, coverage terms, premiums and rates. The bill would in particular prohibit the use of credit history for auto insurance pricing and underwriting, which drives up premiums by thousands of dollars for many New York drivers who have spotless driving records, and has a profound disparate impact on low- and moderate-income drivers and drivers of color. Other states such as California, Massachusetts, Hawaii and Michigan have banned the use of credit history for auto insurance pricing, and instead give greater emphasis to driving-related factors such as miles driven per year, years of driving experience, driver safety record and claims history.
- **Enact fair consumer and privacy protections for auto insurance telematics programs:** NYRL supports **S.5486 (Comrie)** to improve the transparency and accountability of auto insurance telematics programs, which offer discounts to users in exchange for letting insurers track their driving behaviors through smartphones and other monitoring devices. The bill would require insurers to disclose ratings factors and scoring methodologies and confirm that ratings factors used are appropriately related to risk and not unfairly discriminatory. The bill would also ensure



privacy of user data by restricting its use to the purpose for which it is provided (to evaluate driving risk and calculate premium discounts)

- **Homeowners' insurance data disclosure and risk mitigation:** The increasing frequency of extreme weather events, combined with the rising cost of repairs and building materials, has destabilized the home insurance market. Homeowners increasingly face skyrocketing premium prices, and many are losing coverage as adequate coverage has become unobtainable at an affordable price. NYRI supports **S.8583A (Kavanagh)**, which would direct insurers to provide more detailed data about the catastrophic risk models and scoring methods used for homeowners insurance to the Department of Financial Services, and improve policyholders' ability to obtain discounts for taking certain actions to mitigate the risk of losses. The bill would also require an annual report on the housing insurance market for multifamily and nonprofit housing providers.

Homeownership

- **Fund and codify the Homeowner Protection Program (HOPP):** NYRI supports the continued funding of the HOPP program as proposed in the Governor's proposed budget, and urges the legislature to enact **S.2627A (Kavanagh) / A.1625A (Solages)**, 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 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:** NYRI supports **S.6971 (Kavanagh) / A.7546 (Lavine)** which will 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. The bill 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:** NYRI supports **S.70 (Kavanagh) / A.3348 (Dinowitz)** 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 services who lack incentive to comply because the homeowner has no recourse, in contrast to comparable federal regulations which have a private right of action.

- **Fight back against deed theft and title partition scams:** The Homeownership Working Group changed its name from the Mortgage Working Group to emphasize that mortgage defaults are far from the only threat to homeownership in New York. The higher property values grow, the higher the risk for seniors, people facing foreclosure, and people who are pushed out of their neighborhood by increased property values. The risk is falling for deed theft and partition scams, which can advertise themselves as solutions when they really create more problems for homeowners. These scams promise lower property payments, saving the home from foreclosure, help getting certain repairs to the home. But the equity thief or partition scammer will coerce the homeowner into signing over some or part of the title of the property to the “rescuer,” instead of going through the proper loss mitigation channels.
- **Strengthen protections for homeowners facing foreclosure of HOA and condo liens:** NYRL supports providing the same consumer protections that New York has enacted for mortgage foreclosures—such as pre-foreclosure notices and a mandatory settlement conference process—for Homeowners' Association (HOA) or condo common charge foreclosures, which are an increasing threat to low-and-moderate income homeownership across the State. Legislation enacted in 2025 mandating a 90-day pre-foreclosure notice was a modest start, but NYRL believes more robust protections that track what is required for mortgage foreclosures are needed for a meaningful impact.
- **Address abandoned foreclosure actions clogging court dockets by clarifying the rules requiring their dismissal.** Some intermediate appellate courts have recently permitted foreclosure plaintiffs who have effectively abandoned their cases by failing to seek a default judgment within the generous one-year deadline mandated by CPLR 3215(c) to keep their abandoned cases alive by arguing that their filing of a Request for Judicial Intervention (RJI)—a ministerial act required at the inception of the litigation, before any default has even occurred—satisfied the requirement to seek a default judgment within the deadline, since that filing is used to trigger the mandatory foreclosure settlement conference process under CPLR 3408. NYRL supports legislation clarifying that, as most other appellate courts have held, just filing the RJI required at the inception of a case does not satisfy the requirement to take proceedings for the entry of judgment within one year of a defendant’s default
- **Continue to work towards solving property tax lien foreclosure issues:** NYRL supports the **Tax Lien Foreclosure Bill of Rights, S.5480 (Comrie) / A.4445 (Dilan)** 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 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.



Student Lending

- **Increased funding for the Education Debt Consumer Assistance Program (EDCAP):** EDCAP provides outreach, education, and free, unbiased direct assistance to federal and private student loan borrowers across New York State to manage and when possible, eliminate their debt. As repayment resumed and federal relief expired, one in four borrowers are facing default, with many struggling to navigate a complex and shifting repayment system amid widespread misinformation, servicing failures, and scams. These risks are further compounded by the current federal administration and dismantling of the Department of Education. EDCAP's services are more critical than ever, providing trusted guidance to help borrowers navigate repayment, access relief, and avoid default. NYRL supports EDCAP's request for an increase in funding to \$6.250 million for FY2026-27 to continue this vital program.
- **Private student loan consumer protections:** NYRL supports **S.5598 (May) / A.4922 (Levenberg)** which instills consumer protections for student borrowers of private loans and their cosigners (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 cosigner's death or bankruptcy.
- **Protections for students with institutional debt:** Institutional, also referred to as direct-to-school debt is student debt owed to schools for unpaid tuition, fees, fines or other charges. Typically small-dollar amounts (under \$4,000), institutional debt can block students from re-enrolling or from graduating. Debts owed to SUNY are collected by the New York Attorney General; debts owed to CUNY are referred to a private debt collector. NYRL advocates for reforms to ensure low-income students who fall into debt can continue with their education and do not suffer long-term financial consequences.
- **Consumer Debt Uniformity Act (CDUA), S.5546B (Hoylman-Sigal) / A.10182 (Taylor)** (new Senate sponsor forthcoming): this bill (also a priority of the Consumer and Insurance Working Group of NYRL) creates uniformity in the law by standardizing protections and civil practice procedures for "consumer credit transactions" and other consumer debts. Laws pertaining to statute of limitations, consumer protections, and civil procedure are mixed as to whether they apply to consumer credit, consumer debt, or only specific types of consumer credit or debt. CDUA remedies the current confusion and instills consistency in the law regarding debt that is owed by consumers, regardless of how the debt was originated. These changes would apply to collection of institutional debt.
- **Student debt forgiveness tax exemption:** : Student debt forgiven under a federal relief program should be exempt from state income tax. The American Rescue Plan Act exempted forgiven debt from tax liability (federal and state) through December 31, 2025, but has not been extended. New York must pass legislation in 2026 to exempt forgiven federal student debt from state tax liability. Federal student loan forgiveness often occurs only after 20–25 years of repayment, affecting borrowers who have spent much of their working lives carrying this debt.



Taxing forgiven balances at the end of decades of repayment perpetuates economic insecurity and undermines the purpose of forgiveness itself.

- **Strengthening Consumer Protections to Mitigate Impact of H.R. 1 (OBBBA):** NYRL seeks to protect student loan borrowers from consumer harm resulting from recent and proposed federal changes, including new federal loan caps and provisions advanced through H.R. 1 and related legislation. These changes risk pushing students and families toward higher-cost, less-regulated private loans and exposing borrowers to unfair, deceptive, or abusive lending and servicing practices. NYRL supports robust state-level consumer protections to ensure borrowers are not penalized by federal policy shifts beyond their control. This includes safeguarding access to affordable financing, strengthening oversight and accountability for private lenders and servicers, and ensuring borrowers receive clear disclosures, fair repayment terms, and meaningful avenues for relief.