



NEW YORK STATE SENATOR

Robert G. Ortt

## Senate Passes Consumer Litigation Funding Act

ROBERT G. ORTT June 20, 2018

| ISSUE: **LAWSUIT LENDING, CONSUMER PROTECTION**

Today, Senator Rob Ortt (R,C,I,Ref-North Tonawanda) and his colleagues passed the Consumer Litigation Funding Act (Senate Bill 9105), which would assist in regulating New York's lawsuit lending industry. Recently reports have surfaced outlining the predatory and exploitative practices used by lenders, which encourage lawsuits that bog down our courts and prey on those in financial hardship.

"Time and again, we have heard horror stories of individuals who fell victim to the predatory lenders of the litigation industry," said Sen. Ortt. "These individuals as they seek redress through the court system may find themselves relying on funding from litigation lenders who charge interest rates as high as 200 percent. This industry is long overdue for oversight and this legislation contains the consumer protections necessary to ensure these individuals already embroiled in court cases have access to funding in a way that is clear, straightforward, and regulated."

Sen. Ortt's legislation would cap the interest rate of lawsuit loans to 36 percent while allowing a 10-day rescission period for the parties involved. Also outlined in the legislation is the requirement for a written contract as well as an outlined payment schedule for the recipient of the loan.

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## 2017-S9105

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- Introduced
- - In Committee Assembly
  - In Committee Senate
- - On Floor Calendar Assembly
  - On Floor Calendar Senate
- - Passed Assembly
  - Passed Senate
- Delivered to Governor
- Signed By Governor
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Relates to consumer litigation funding

June 17, 2018

In Assembly Committee

Sponsored by **Robert G. Ortt**

Do you support this bill?

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