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March 19, 2020

The Honorable Andrew M. Cuomo
Governor of the State of New York
NYS State Capitol Building
Albany, NY 12224

The Honorable Janet DiFiore
Chief Judge of the State of New York
New York State Unified Court System
25 Beaver St., 11th Floor
New York, NY 10004

Dear Governor Cuomo and Chief Judge DiFiore:

We, the undersigned elected officials from New York State, join with the undersigned civil rights, racial and economic justice, labor, and community groups to call on New York to institute an immediate moratorium on debt collection in our state, as part of a broader set of emergency measures needed to protect public health and safety and financial security, during this unprecedented crisis.

No New Yorker should face the unacceptable health risk of going to the courthouse to defend against a debt collection lawsuit, or find herself without access to her funds, unable to buy food, medicine or other necessities, because of a debt collection judgment. Similarly, whether newly executed or ongoing, enforcement of any money judgments will deprive New Yorkers of funds they desperately need to prepare for and endure the coronavirus public health emergency.

New York State needs to take this action to ensure economic and racial justice, and community equity. Experts have warned that COVID-19 will disproportionately harm New Yorkers in low-income communities and communities of color, as a result of widening health disparities, lack of benefits, financial insecurity, and other inequities.[1] These same communities disproportionately bear the brunt of fraudulent debt collection lawsuits, which are rampant, violate New Yorkers' due process rights, and siphon massive amounts of wealth from and contribute to destabilization of entire neighborhoods.[2]

Specifically, we request that the state/Court immediately, and at minimum:

- Stay all enforcement of money judgments, whether through bank account restraints, wage garnishments, tax refund offsets, liens, or other means.

- Instruct judgment creditor attorneys not to serve any new restraining orders, levy demands, income executions, or other orders to enforce money judgments.
- Direct sheriffs and marshals to stop existing garnishments and levies and not to initiate any new wage garnishments or levies.
- Suspend the entry of any new default judgments.
- Suspend payments on current settlements with payment plans.
- Exempt all government subsidies paid to NYS residents from collection for money judgments.
- Communicate this moratorium to the public through social media, the media, and 311, and place notifications prominently on New York State courts' websites, in courthouses, and on the websites of government agencies engaged in collection.

We urge you to act swiftly. In just the past two weeks, we have heard from many New Yorkers whose safety and financial security has been put at risk. Clearly we need to address structural inequities underlying debt collection -- from student loan and medical debt to systemic discrimination in our financial system and more.

Given the urgency of this moment, a moratorium on debt collection, along with other needed actions,[3] will go a long way in the immediate term to protecting New Yorkers and providing much-needed financial relief in this difficult and uncertain time.

Thank you for your consideration of our request.

Respectfully,

Senator Kevin Thomas
Chair, Senate Consumer
Protection Committee

- [1] Max Fisher & Emma Bubola, As Coronavirus Deepens Inequality, Inequality Worsens Its Spread, N.Y. Times, Mar. 15, 2020, <https://www.nytimes.com/2020/03/15/world/europe/coronavirus-inequality.html>.
- [2] New Economy Project, The Debt Collection Racket in New York (June 2013), <https://www.neweconomynyc.org/wp-content/uploads/2014/08/DebtCollectionRacketUpdated.pdf>.
- [3] Memorandum from Maxine Waters, Chairwoman, U.S. House Financial Services Committee, to Democratic Members, House of Representatives, Proposals to Help the Economy During the COVID-19 Crisis (Mar. 18, 2020), https://financialservices.house.gov/uploadedfiles/fsc_covid-19_legislative_package_-_03.18.20.pdf.