



**NEW YORKERS FOR
RESPONSIBLE LENDING**



National Association of
Consumer Advocates

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**Statewide Coalitions Call on Legislature to Protect Consumers and Ban “Unfair”
Business Practices Against New Yorkers**

New York’s Current Consumer Protection Law is “Toothless” and Lags Behind 39 Other States

ALBANY, N.Y. – New Yorkers for Responsible Lending (NYRL) and the New York chapter of the National Association of Consumer Advocates (NACA) are in the state capital in full force today, calling on legislators to enact A.679 (Niu)/S.2407A (Comrie) to give New Yorkers basic consumer protections.

Unfair and Deceptive Acts and Practices (UDAP) laws prohibit certain practices by businesses when engaging in transactions, including sales of cars and other goods, loans and mortgages, home improvements, apartment rentals, and utility contracts. New York currently does not specifically ban “unfair, unlawful or abusive” acts, and a [national report](#) issued last year by the National Consumer Law Center found that New York’s General Business Law Section 349 (GBL 349) is “toothless” and comparatively weak.

A.679/S.2407A strengthens the current prohibition against “deceptive” practices by also banning “unfair and abusive” business acts and practices. In keeping with the intent of the original bill, it also eliminates the consumer-oriented conduct hurdle imposed by courts; modernizes the amount of the fines imposed from the laughably low amount of \$50 to \$2,000--serving as a deterrent against bad practices; and improve access to justice for low-income New Yorkers by making the awarding of attorney’s fees mandatory, not discretionary.

“This bill is important because it bans unscrupulous business conduct that is not necessarily ‘deceptive,’” said **Clark Binkley, managing attorney at the Richman Law Group and a member of NACA**. “Businesses already comply with this well-defined standard in most states and at the federal level,” he added, “so ethical businesses have nothing to fear from this bill.”

“Adding ‘unfair and abusive’ to New York’s deceptive practices law would help many of our clients, including one whose landlord refused to make repairs to her unlivable apartment, and told her she could use a nearby gas station when her bathroom did not work,” said **Ariana Lindermayer, staff attorney at Mobilization for Justice**, which is a member of NYRL. “Requiring business to treat people fairly is not too much to ask,” she said.

Amending the law would protect New Yorkers from various “unfair and abusive,” but not necessarily “deceptive” conduct, including:

- a credit reporting agency recklessly sharing personal information and exposing people to identity theft
- a rent-to-own company sending agents to a person’s home to conduct a “shakedown” and collect a balance from a disabled customer
- a bail bonds agency keeping a purchaser’s collateral after the case ends
- a debt collector seizing and refusing to return an elderly person’s social security income even though it is exempt from collection
- a car dealer selling a consumer’s trade-in vehicle before the deal is finalized.

The bill also benefits small businesses by protecting them from dishonest companies that seek a competitive advantage, and from vendors that treat business owners unfairly.

“New York is notoriously weak, as one of only five states that does not include a broad prohibition of unfairness or unconscionability,” said **Teaching Professor and Director of the Securities Arbitration and Consumer Clinic Gary Pieples**. “New York needs stronger protections, given that we can’t rely on the federal government or the CFPB to rein in unscrupulous businesses and protect New Yorkers,” he said.

“New Yorkers suffer every day from unscrupulous businesses that take advantage of New York’s weak consumer protection statute,” said **Ken Stevens of Foreclosure Resisters, a member of NYRL**. “It’s time for New York’s legislature to stand up for New Yorkers.”

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About NACA and NYRL:

NYRL (www.facebook.com/nyresponsiblelending/) is a statewide coalition that promotes access to fair and affordable financial services and the preservation of assets for all New Yorkers and their communities. NYRL is committed to fighting predatory practices in the financial services industry through policy reform, education and outreach, research and direct services. NYRL’s 170 members represent community financial institutions, community-based organizations, affordable housing and first-time homebuyer groups, advocates for seniors, legal services organizations, and community reinvestment, fair lending, and consumer advocacy groups.

NACA (<https://www.consumeradvocates.org/>) is a nonprofit association of more than 1,500 attorneys and consumer advocates committed to representing consumers’ interests. Its members are private and public sector attorneys, legal services attorneys, law professors, and law students whose primary focus is the protection and representation of consumers. NACA’s mission is to promote justice for all consumers by maintaining a forum for communication, networking, and information-sharing among consumer advocates across the country, particularly regarding legal issues, and by serving as a voice for consumers in the ongoing struggle to curb unfair or abusive business practices that harm consumers.