

Close the Gaps



NYSCADV
NEW YORK STATE COALITION
AGAINST DOMESTIC VIOLENCE

DISCRIMINATION

HOUSING

EMPLOYMENT

ECONOMIC

GEOGRAPHY

JUSTICE

INEQUALITY

LEGISLATIVE
AWARENESS

DAY

APRIL 29, 2014

The New York State Coalition Against Domestic Violence (NYSCADV)

SUPPORTS

Ensuring Fair Procedures for Persons Sued in Consumer Credit Transactions

A.9053 Weinstein

NYSCADV asks the legislature to curb the filing of abusive collection lawsuits, which have a particularly devastating impact on victims of domestic violence.

Economic abuse is a powerful dynamic of domestic violence.

One of the frequently overlooked forms of domestic violence is economic abuse. Abusers often control finances, leaving victims dependent and powerless financially. Economic abuse can take many forms, including the abuser:

- obtaining credit cards in the victim's name and amassing debt;
- ruining a victim's credit;
- selling a victim's personal identifying information to (other) identity thieves; and/or
- obtaining access to credit reports illegally.

Survivors who are subjected to economic abuse often end up with considerable debt and ruined credit. This is important because:

- credit worthiness has become essential to accessing basic necessities such as housing, employment, and even health insurance.
- identity theft has emerged as the fastest growing federal crime with ruinous and far-reaching impacts on consumers of all ages and incomes but perhaps greatest on those least able to afford them.

Many victims of domestic violence first learn of the economic abuse committed against them by their abusers when they attempt to establish economic self-sufficiency. Judgments and delinquencies which appear on their credit reports result in denials of housing and employment applications. Others learn about accounts opened fraudulently in their names when they are sued by creditors and debt buyers.

This legislation will redress systematic problems with consumer debt collection actions.

Current debt collection practices put consumers at a significant and unfair disadvantage. During the past decade, debt collectors and creditors have filed hundreds of thousands of debt collection actions in the state, obtaining significant numbers of default judgments often due to systematic problems with service of process, which has been documented by local, state, and federal oversight and enforcement agencies. The abuse of the court system has come at an exceedingly high cost to consumers with low incomes and vulnerable groups, including domestic violence victims and survivors.

The Consumer Credit Fairness Act will redress systematic problems with consumer debt collection actions by, among other measures, augmenting pleading requirements, strengthening notice provisions, reducing the statute of limitations in consumer credit transactions to bring them in line with many other states, and establishing common sense and fair evidentiary requirements for debt buyers to obtain default judgments.

The legislation will provide stronger, essential protections to domestic violence victims and survivors who have been subjected to economic abuse, for whom fair consumer credit collection can mean the difference between being forced to stay with an abuser and the ability to establish and maintain economic self-sufficiency.