

NEW YORK STATE DEBT COLLECTION PROTECTIONS

New York's Consumer Credit Fairness Act of 2021, which went into effect on April 7, 2022, sets out new requirements and prohibitions for debt collection in New York State. Some of these protections and regulations include:



Debt Collection Lawsuit Requirements

A debt collector who files a lawsuit against you for a consumer debt must produce detailed information about the debt you are being sued for. The complaint must include:

- The name of the original creditor or company you owed the debt to;
- The last four digits of the account number;
- An itemization of the amount sought and the date and amount of the last payment;
- State whether the plaintiff is the original creditor, and if not, provide information about the sale and assignment of the debt; and
- A copy of the original contract for which the debt is owed.



New Statute of Limitations Shortens the Time When Creditors Can Sue You

- As of April 7, 2022, creditors cannot sue or make a threat to sue you on debts that are older than three years.
- Additionally, any payments you make after the three-year period, does not restart clock on the time-barred debt.



Additional Notifications are Required for Pending Lawsuits

- The clerk of the court must send you an additional notice informing you of the pending consumer credit action against you.
- If a summary judgment motion has been filed against you, you must be notified about the consequences of such a motion and be informed on how to respond.
- The notice must include consumer credit-related resources that can assist with lawsuits or summary judgments.



Additional Steps are Required to Obtain Default Judgments

Creditors must take additional steps to obtain a default judgment against you.

- The original creditor, or any seller of the debt, must submit an affidavit about the facts about the debt or sale of the debt to another entity.
- The creditor suing you, or the creditor's attorney, must include a statement stating that the statute of limitations has not expired.
- Creditors must take additional steps to obtain a default judgment against you.

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