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Bloomberg Signs Law Aimed At Debt Collection Abuses

Mayor Michael R. Bloomberg signed into law yesterday a bill aimed at curtailing abuses by unregulated debt collectors. Proposed by New York City Councilman Daniel R. Garodnick, Introductory Bill Number 660-A enables the Department of Consumer Affairs not only to license "active" debt collectors, but so-called "passive" debt collectors who employ third-party agencies. Spurred by a 2007 report by the Urban Justice Center, which found that an estimated \$800 million in judgments were entered against unrepresented defendants in 2006, the law carves out an exception for attorneys or law firms "filing and prosecuting" or using other legal actions to reduce debts to judgments. Harvey Epstein, director of the center's community development project and the author of the 2007 report, called the new law "a critical step toward protecting New Yorkers from an exploding debt collection industry that flagrantly abuses the courts at the expense of poor and vulnerable New Yorkers." - *Noeleen G. Walder*