

AFFORDABLE NYC NOW: PROPOSALS TO LOWER COSTS, HOLD CORPORATIONS ACCOUNTABLE, AND MAKE GOVERNMENT WORK

PROTECT 
BORROWERS

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ABOUT PROTECT BORROWERS

Protect Borrowers (formerly Student Borrower Protection Center) is a nonprofit organization led by a team of experts, lawyers, and advocates fighting to build an economy where debt doesn't limit opportunity. We investigate financial abuses, take predatory companies to court, and push for policies to protect working people from debt traps. We aim to deliver immediate relief to families while building power, driving systemic change, and fighting for racial and economic justice.

ABOUT THE CENTURY FOUNDATION

The Century Foundation (TCF) is a progressive, independent think tank that conducts research, develops solutions, and drives policy change to make people's lives better. We pursue economic, racial, gender, and disability equity in education, health care, and work, and promote U.S. foreign policy that fosters international cooperation, peace, and security. TCF is based in New York, with an office in Washington, D.C.

CONTRIBUTING ORGANIZATIONS

Authors who contributed articles to this compendium hail from a diverse array of advocacy organizations and academic institutions with strong ties to New York City. Authors' views are not necessarily those of their institutions, nor do authors necessarily endorse any piece in the compendium aside from their own.



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Foreword

An Agenda to Lower Costs, Hold Corporations Accountable, and Make Government Work for New Yorkers

The stakes for New Yorkers have never been higher. Across the city, the cost of living has skyrocketed—rent keeps rising, healthcare costs are soaring, and the price of everyday basics, from gas to groceries, continues to climb. Low- and middle-income New Yorkers are increasingly leaving the city over the high cost of living. Mayor Zohran Mamdani channeled these frustrations on the campaign trail, telling a story about how the city government could deliver a more affordable life for all New Yorkers.

Since taking office, Mayor Mamdani has taken swift action and shown the government’s ability to deliver simple yet powerful change. Expanded preschool for all New Yorkers—an idea once dismissed by critics as impossible—will soon become reality. A new pied-à-terre tax will bring in hundreds of millions of dollars. A snow shovel brigade composed of ordinary New Yorkers were paid a decent wage to clear the streets and get the city moving after a blizzard earlier this year. From cracking down on businesses exploiting their workers to stopping giant corporations from bombarding New Yorkers with junk fees, the Administration has pursued an aggressive enforcement agenda to block private actors from ripping off residents.

Given the scale of the city’s affordability crisis, we are going to need an aggressive, all-of-government effort to bring down costs and give average New Yorkers a bigger slice of the pie. New York City can ease the burden on families by **directly lowering costs**, like junk fees or surcharges, **holding corporations accountable** for predatory practices that drive up prices, and **making city government work** in ways that take expenses off residents’ shoulders. That’s why Protect Borrowers and The Century Foundation are launching **Affordable NYC Now**, a project to develop implementation-ready ideas to make life better for the families and small businesses that call the city home. Our first report, *Lowering Costs*, showcases the first wave of these proposals, developed by leading experts and advocates.

Together, these ideas advance a vision for how the Mamdani Administration can continue to help working families and advance economic justice. Critically, these items don’t require bigger budgets or new legal authority, so they can be implemented quickly. These are actions the Administration can take now, with existing tools, to deliver immediate relief. In our view, these policies not only bring much-needed relief, but they also help deliver on the Administration’s promise to families and build a foundation for changes that require a strong political coalition. They are part of a broader effort to recapture what makes New York an envy of the world, and build the type of government and economy that New Yorkers deserve.

The Data: New York’s Debt Crisis, Visualized

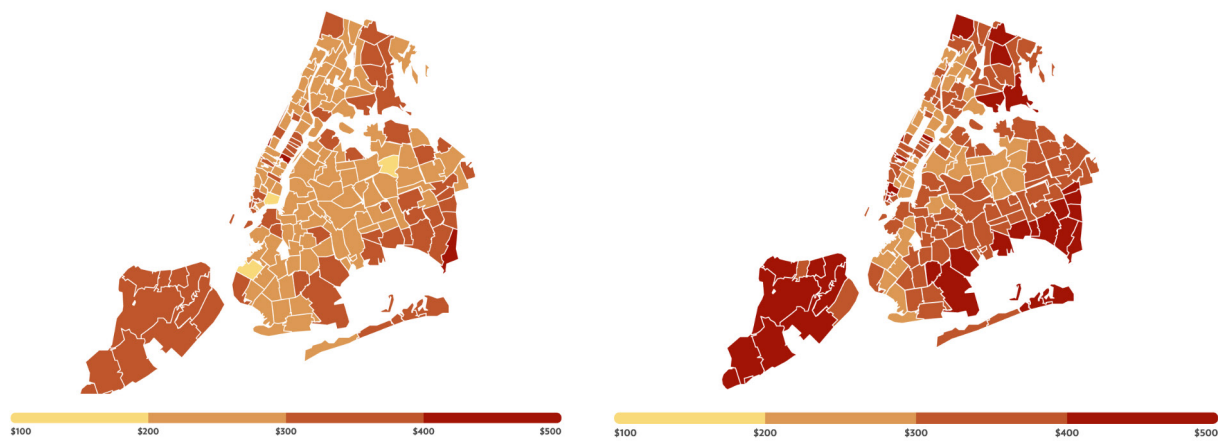
To understand how the high cost of living impacts New Yorkers and how different policies affect cost burdens, Affordable NYC Now is using zip-code level data to track household debt in the city. Today, we’re releasing data that shows the explosion of household debt across New York City in just the last few years.¹ The maps below tell a story that is all too familiar for New York families—but often overlooked by policymakers.

Between 2018 and 2025, average monthly debt payments soared in working-class, outer-borough neighborhoods. While debt payments increased only moderately across Manhattan, individuals in Queens, Brooklyn, the Bronx, and Staten Island on average went from spending roughly \$282 per month repaying debt to \$344—and in some neighborhoods, surpassing \$500 or more. That’s not because New Yorkers suddenly became financially irresponsible. It’s because the cost of basic necessities skyrocketed while wages barely budged—and credit cards became the only way to keep the lights on.

Figure 1.

WORKING-CLASS NEW YORKERS ARE INCREASINGLY BURDENED BY DEBT

Average total monthly debt burden, 2018 (left) vs 2025 (right)



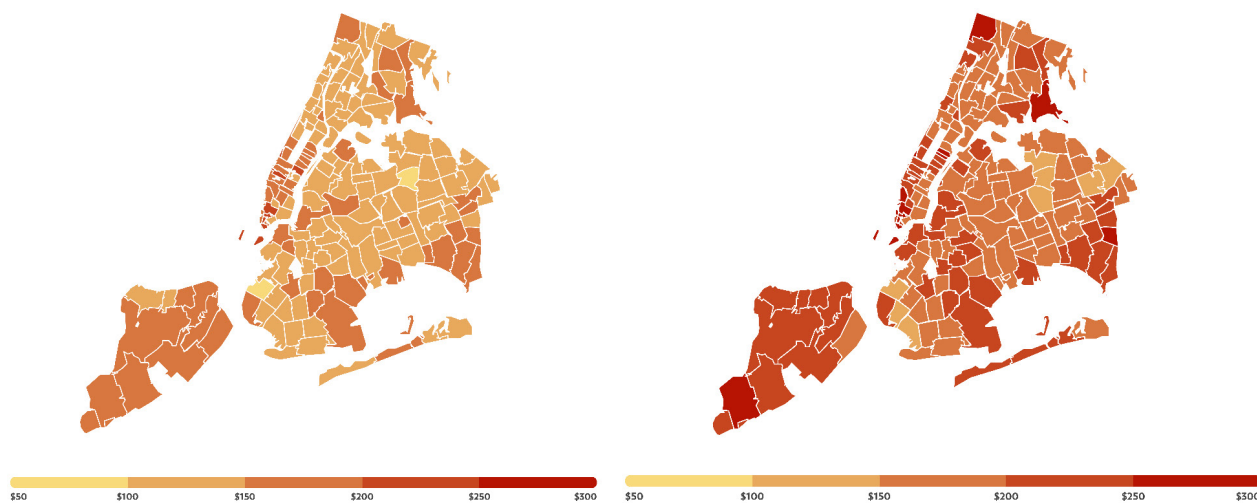
Auto loan payments doubled and credit card payments climbed more than 50 percent for New Yorkers in many working-class, outer-borough neighborhoods. Debt burdens rose throughout the city, mirroring trends we’ve documented in our research across the country. New Yorkers with student loans got a five-year pandemic reprieve, but that ended with President Trump’s inauguration, adding another monthly payment back into already-strained budgets.

What credit card debt really represents: When healthcare costs are too high, families turn to credit cards to cover the bill. When a cart full of groceries costs twice what it did five years ago, credit card debt keeps the family fed. When Con Ed cuts deals with Big Tech data centers that spike electricity prices, credit cards keep the household lights on.

Figure 2.

MONTHLY CREDIT CARD BILLS ARE SOARING

Average total monthly credit card debt burden, 2018 (left) vs 2025 (right)



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Source: Authors’ analysis of the University of California Consumer Credit Panel (UC-CCP), a 2 percent nationally representative sample.

Our research shows that more than 110 million Americans—including millions of New Yorkers—cannot pay off their credit card bill each month² and are drowning in sky-high interest charges imposed by some of the biggest banks in the world, including banks like JP Morgan Chase and American Express that call New York City home. And while these banks reap record profits, working-class New Yorkers are falling further and further behind—maxing out their credit cards, facing past-due student loan bills, and missing car payments in outer boroughs where public transit often doesn’t reach.

Why This Matters Now

This data outlines the stakes for the governing moment facing policymakers in New York City. Too many New Yorkers are one unexpected expense away from financial catastrophe. They need relief now—not promises of future programs, not incrementalism that might help down the road.

Our research also brings into sharper focus the contrast between working-class New Yorkers struggling to stay afloat and New York’s biggest banks and businesses that profit from this distress, even as they fight the Mamdani Administration tooth and nail to block progress.

The proposals in *Lowering Costs* show how to deliver. From lowering the cost of health care through new “penny pharmacies,” to making housing more affordable by capping rent increases, to tackling high electricity prices through community energy programs, these ideas are concrete and would immediately make a difference in New Yorkers’ lives.

In the coming weeks, we’ll release more data showing New York’s affordability crisis through the lens of New Yorkers’ debts. We’re also inviting New York researchers to partner with us and work with this data directly. Together, we can measure the benefits to New Yorkers as the city’s economic landscape shifts—and make the public case that city government can make life more affordable for families in every corner of New York.

This project wouldn’t be possible without Lorelei Salas, former commissioner of the NYC Department of Consumer and Worker Protection, and Winston Berkman-Breen, Protect Borrowers’ legal director, who organized and edited the volume of papers that follows. Their invaluable expertise and leadership are building a roadmap for what progressive city governance can and should look like.

For too long, New York’s staggering inequality has made economic justice feel out of reach. As costs have soared, City Hall has seen its role as simply helping people scrape by, not get ahead. But that is changing. By taking concrete actions today to lower costs, hold corporations accountable, and improve how government works, Mayor Mamdani and city policymakers can reshape New York’s economy and make the city live up to its billing: as the greatest city in the world.

Let’s get to work.

Julie Margetta Morgan
President
The Century Foundation

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Executive Director
Protect Borrowers

Endnotes

1 This analysis uses data from the University of California Consumer Credit Panel (UC-CCP), a 2 percent nationally representative sample of U.S. adults with credit records. We thank the California Policy Lab for hosting and documenting the UC-CCP.

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AFFORDABLE NYC NOW: LOWERING COSTS

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Introduction

For too many New Yorkers, the math simply doesn't add up. Wages have stagnated while the cost of housing, healthcare, groceries, childcare, and basic services has climbed steadily out of reach. Affordability is not an abstract policy goal—it is the difference between a family staying in the city they love and being forced to leave it. Lowering the cost of our daily expenses is a critical component of making New York City work for everyone, and the Mayor has real tools to advance this goal.

This section outlines concrete actions the Mayor can take with existing authority to directly reduce the financial burdens New Yorkers carry every day. From introducing competition to the utilities and insurance markets to creating new small business incentives to offering life-saving prescription drugs for pennies on the dollar, these proposals target the pressure points where the Mamdani Administration can make an immediate difference, without waiting for Albany or Washington.

Making the city affordable means making it affordable for all, so that living here is not a toll that prices out the people who make New York New York.

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LOWERING COSTS BY REDUCING THE PRICE OF PRESCRIPTION DRUGS

THE PENNY PRICE PHARMACY MODEL: LOWER
DRUG PRICES WITHOUT NEW TAXES AFTER H.R. 1

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New Yorkers are burdened by high healthcare costs.

Most New Yorkers struggle to afford healthcare. Two in three state residents reported that they delayed or went without care because of cost in 2024.¹ By 2025, employer-sponsored family coverage exceeded \$35,000 annually, and it continues to rise much faster than inflation.² Employer contributions are projected to increase another 10 percent—to more than \$17,000 per employee—this year alone.³ All told, New York State has the highest single coverage cost and fifth-highest family coverage cost in the nation.⁴

Although New York City residents and employers are paying more for healthcare than ever, providers—including hospitals, physician practices, and pharmacies—are closing in droves, citing financial distress and stranding patients in care deserts. For instance, between January and August 2024, at least 29 independent pharmacies in New York City closed due to declining reimbursement rates.⁵ Meanwhile, there are 53 population health professional shortage areas in New York City: 23 for primary care, 17 for mental healthcare, and 13 for dental care.⁶

President Donald Trump and Republicans' health policies have exacerbated these affordability and access concerns. As a result of H.R. 1—which ended premium subsidies for Affordable Care Act (ACA) plans, cut Medicaid funding, and imposed new Medicaid work requirements—the typical family enrolled in an ACA plan is expected to pay \$3,735 more in annual premiums.⁷ For the same reason, upwards of 1.5 million New York state residents may lose their health insurance and 13 New York City safety-net hospitals are at risk of closing, reducing services, or laying off workers.⁸

NYC can provide affordable prescription drugs to newly uninsured New Yorkers at no cost to taxpayers.

The Mamdani Administration should work with NYC Health and Hospitals (H+H) to extend to more un- and underinsured New Yorkers the discounted price H+H pays to acquire outpatient drugs under the federal 340B Drug Pricing Program—as low as \$0.03 for insulin and \$15 for injectable epinephrine⁹—plus a modest fee to cover overhead.¹⁰

The 340B program requires manufacturers that participate in Medicaid to sell outpatient drugs to federally qualified health centers (FQHCs)—of which H+H owns and operates 29—and other safety-net providers at a significant discount, typically around 50 percent.¹¹ Often, the discounted price falls as low as \$0.01, in what is known as “penny pricing.”¹² For instance, program participants have been able to purchase Humira—the top-selling drug in the world, with an annual list price of \$90,000—for \$0.01 since 2016.¹³

H+H should adopt a “penny price pharmacy” model, under which it would charge certain established patients of its FQHCs low cash prices for eligible outpatient drugs.¹⁴ Nearly all self- and physician-administered drugs dispensed in the outpatient setting whose manufacturers participate in Medicaid are eligible for 340B discounts.¹⁵ Notable exceptions include vaccines and orphan drugs, used to treat rare diseases.¹⁶ These low cash prices would be available to patients who are uninsured or enrolled in employer- or exchange-based health plans, many of which have high deductibles. They would not be available to established patients enrolled in Medicaid, whose out-of-pocket drug costs are very low, or Medicare, whose annual out-of-pocket drug costs are capped at \$2,100.¹⁷

FQHCs already pass along a lot of their 340B savings to patients because they are required to have a sliding fee scale based on income.¹⁸ However, to maximize impact, H+H should launch an aggressive outreach campaign, including by setting up an official process for un- and underinsured residents—especially those who lose coverage as a result of H.R. 1—to become established patients so that they could benefit.¹⁹ The number of newly established H+H patients relative to the number of un- and underinsured New Yorkers would be a good metric of success for this program, which would be life-changing for residents—such as those with chronic illness—who require affordable and reliable access to drugs to survive.

Because H+H would simply extend its discount to residents who would otherwise fall through the social safety net, this model is free for the City to implement and does not require any legislative or regulatory reform. H+H could set the dispensing fee to account for any overhead costs associated with seeing more patients.

This pricing structure mirrors the New York State Medicaid Pharmacy (NYRx) program, which reimburses pharmacies for acquisition cost, plus a \$10.18 dispensing fee.²⁰

The City could also expand use of the penny price pharmacy model beyond the H+H umbrella to all 340B participating providers, including nonprofit hospitals. This would be a bigger lift because many nonprofit hospitals do not pass through 340B discounts to patients, instead diverting them to their own bottom lines.²¹ According to one study, participating hospitals charge patients with commercial insurance, on average, five times more to dispense drugs than they pay manufacturers to acquire them.²² In other words, net 340B revenue often subsidizes hospitals rather than the low-income patients for whom they are meant to care.

Specifically, the City could develop new guidelines for all 340B participant providers that recommend they adopt the penny price pharmacy model. It could further encourage hospitals to adhere to this guidance by providing a one-time payment to offset the administrative costs of making changes to dispensing practices and pharmacy budgets.

Although federal statute requires that 340B discounted prices be kept secret, a 2024 report by the Minnesota Department of Health provides a glimpse at the possible patient savings.²³ The report found that in-state program participants generated, on average, \$3,405 in net 340B revenue per prescription of Humira—which they purchased for \$0.01—and \$569 per prescription of Ozempic, a brand-name anti-diabetic, in 2023.²⁴ This means that patients who are un- or underinsured could save hundreds to thousands of dollars per prescription under the penny price pharmacy model.

Importantly, the penny price pharmacy model would not harm independent pharmacies, which are increasingly at risk of closure.²⁵ Under the 340B program, some participating providers contract with outside pharmacies to dispense drugs on their behalf, typically reimbursing them a flat fee.²⁶ Large retail pharmacy chains as well as mail-order and specialty pharmacies that are vertically integrated with insurance conglomerates have more leverage than independent pharmacies in reimbursement negotiations with participating providers.²⁷ As a result, independent pharmacies often break even or lose money on brand-name 340B prescriptions, while their larger competitors reap excess profits.²⁸ For this reason, independent pharmacies may prefer that participating providers handle such prescriptions in house.

Conclusion

The penny price pharmacy model is not a panacea. It does not address the two main drivers of high prescription drug costs in the United States: monopolistic brand-name drug manufacturers and pharmacy benefit managers (PBMs).²⁹ It also does not address rising healthcare costs for non-drug services. Pending structural federal legislative reform, however, it gives the City a lever to pull to make outpatient prescription drugs affordable for all New Yorkers, regardless of income level or coverage status, at no additional cost to taxpayers. It also reinforces the social safety net to withstand additional pressure in the wake of H.R. 1.

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LOWERING COSTS THROUGH A CLEAN ENERGY STRATEGY

POWERING AFFORDABILITY: A BLUEPRINT FOR
TACKLING NYC'S ENERGY COST CRISIS THROUGH
SOLAR AND BILL RELIEF



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The Rising Costs of Energy in NYC

New York City is in the midst of an energy affordability crisis. Household electricity bills are at their highest levels in a decade, already far higher than the national average, and they have risen roughly 40 percent in just the last five years.¹ The burden is falling hardest on those least able to absorb it, with low-income families disproportionately impacted by increasing bills. Nearly a third of city residents report multiple forms of energy insecurity, from cutting back on basic energy use to struggling to pay monthly bills.² As energy cost growth outpaces wages, families are increasingly forced to choose between keeping the lights on and meeting other essential needs, with rising arrears and shutoffs pointing to a system under strain.³

These rising costs reflect deeper structural problems in how energy is both generated and delivered. On the supply side, New York City still relies heavily on volatile fossil fuels, particularly natural gas, which accounts for about 80 percent of the supply,⁴ exposing households to global price swings as foreign wars rage on. On the delivery side, ratepayers are footing the bill for aging infrastructure and an increasingly expensive grid as investor-owned utilities raise rates to cover capital costs. Contrary to recent claims by opponents of clean energy, only a small share of electricity bills is tied to clean energy investments required by the Climate Leadership and Community Protection Act (CLCPA). New York's Public Service Commission staff found that most of what households pay goes toward fossil fuel generation and the increasingly expensive systems required to deliver it.⁵

This crisis is expected to deepen as demand for electricity increases. Electricity use in New York City is projected to grow by 40 percent by 2050,⁶ driven by data centers, advanced manufacturing, and the electrification of homes and vehicles. At the same time, utilities like Con Edison and National Grid are already citing grid constraints and the need for major transmission upgrades to justify raising rates.⁷

The result is a compounding affordability challenge: New Yorkers are paying more for both the energy itself and the outdated system that delivers it, as reflected in increasing supply and delivery costs on our monthly bills. Although the City and State have passed landmark climate policies—namely the state's CLCPA and the city's Climate Mobilization Act—to expand clean energy and support low-income households, recent federal and state headwinds have stalled progress. Interconnection delays and cancellations of major offshore wind and transmission projects,⁸ combined with the One Big Beautiful Bill Act's phasing out of federal incentives for wind and solar, threaten to slow the growth of large-scale renewables.⁹

Although New York State and the federal government both fund programs to deliver immediate bill relief to households struggling to keep up with rising costs, including federal Home Energy Assistance Program (HEAP) and NYS Energy Assistance Program (EAP), these existing bill assistance programs remain underused by many of the households that need them most due to administrative burdens of enrollment and insufficient outreach.¹⁰

Addressing this multifaceted crisis will require accelerating the lowest-cost, locally generated solutions, like distributed solar and storage, while strengthening and expanding access to bill relief programs so that households can afford the energy on which they depend.

NYC can expand access to bill relief while building out distributed solar to bring down energy costs.

New York City’s energy affordability crisis is rooted in the structure of the grid itself. Our system still relies on centralized, fossil fuel-based power that is expensive to operate, vulnerable to fuel price volatility, and increasingly costly to maintain as infrastructure ages and demand rises. These costs are passed directly on to New Yorkers through higher utility bills, with the greatest burden falling on low-income households. Without intervention, the city is locked into a cycle of rising expenses tied to fuel, transmission upgrades, and increasing peak demand.

New York City can take decisive action to address this crisis through three complementary strategies:

1. Streamline access to energy bill relief programs
2. Scale affordable, local, clean energy
3. Expand access to solar and storage savings

Streamline Access to Energy Bill Relief Programs

NYC should immediately improve access to existing energy bill relief programs by eliminating administrative barriers that prevent eligible low-income households from receiving benefits. Despite numerous available programs—including HEAP, EAP, community solar, and the New York State Energy Research and Development Authority (NYSERDA) weatherization assistance (Empower+)—complex application processes, varying eligibility requirements, and lack of coordination keep families from accessing critical savings.

NYC’s Human Resources Administration (HRA) pioneered automatic enrollment by data-matching HEAP recipients with utility-administered affordability programs, such as the EAP in which utilities deliver bill subsidies to enrolled households. This model led to statewide legislation in 2023 requiring automatic enrollment for public assistance recipients.¹¹ NYC can continue to lead by expanding a “no-wrong-door” approach.

1. **Expand Data-Matching:** HRA should partner with NYSERDA, NYS Office of Temporary and Disability Assistance, and NYS Department of Taxation and Finance to create automatic enrollment or qualification across all relevant programs based on income, location, and existing program participation. Where auto-enrollment is not feasible or advisable—either by the HRA itself or in

partnership with state agencies—HRA should proactively notify eligible NYC households of programs for which they are pre-qualified and facilitate access so that households do not need to provide additional documentation to apply to other state programs.

- 2. Streamline Community Solar Access:** Community solar is a successful model of distributed solar in which residents can subscribe to a portion of a large solar project and receive a discount on their energy costs. This increases access to solar because subscribers do not need to have a suitable roof or pay anything up-front to receive credits. New York has been one of the leading markets nationwide in community solar, and notably, has focused on incentivizing community solar projects where some or all of the subscribers must be low-income residents.¹² Despite these efforts at increasing access to solar energy and the value it generates, the process of subscribing to community solar for income-eligible New Yorkers has proven difficult for many. Logistical frictions of requesting and submitting eligibility documents, coupled with a lack of awareness and trust of energy companies, pose challenges. For example, most community solar projects specifically serving low-income New Yorkers require subscribers to submit a recent award letter stating that they are a beneficiary of another state income-qualifying program such as SNAP or HEAP. But in the process of requesting a recent letter, waiting for it, and then submitting it to yet another portal, many people never complete their application.

To address these issues and increase access and ease in subscribing to community solar projects, HRA should automatically send “pre-qualification letters” on an annual basis that would serve as an award letter to income-eligible program recipients. This letter should indicate their enrollment in one of the state programs and also notify them of community solar eligibility and direct them to NYSERDA's project listings with clear instructions for finding an available spot.¹³ HRA would need to work with NYSERDA to ensure this letter is an acceptable proof of eligibility for the NY-SUN Inclusive Community Solar Adder projects, which are community solar projects that have received a specific incentive from NYSERDA on the condition that they enroll at least 40 percent of the project capacity to low-income residents or affordable housing.¹⁴

To ensure eligibility for all relevant community solar projects, HRA should also work with NYSERDA so that this award letter is suitable for community solar projects also receiving the Qualified Low-Income Economic Benefit Adder through the Inflation Reduction Act.¹⁵ HRA should also suggest improvements to the NYSERDA Community Solar Project listing website to make it usable for residents with multiple language and technology needs. Overall, this approach would eliminate the additional burden on

applicants of obtaining award letters while also providing trusted government validation of legitimate programs.

Figure 1. Documentation Needed to Prove Categorical Eligibility for NYSERDA Inclusive Community Solar Project¹⁶

EmPower New York Award Letter	Dated within 12 months of the customer agreement signature
HEAP Award Letter	Dated within 12 months of the customer agreement signature
HEAP or Energy Utility Assistance listed on the utility bill	Utility bill must be within the past 12 months of the customer agreement signature
SNAP Award Letter	Dated within 12 months of the customer agreement signature
TANF Award Letter	Dated within 12 months of the customer agreement signature
Supplemental Social Security Income Award Letter	Dated within 12 months of the customer agreement signature

Scale Affordable, Local, Clean Energy

While addressing households’ energy burden immediately is critical, New York City must also work to scale affordable, local, clean energy to address the underlying problem of the city’s overreliance on expensive and volatile fossil fuels. The New York City Mayor should take an executive action to double the city’s distributed solar goal from 1 gigawatt (GW) to 2 GW by 2035 and establish a 2 GW energy storage target. These goals would accelerate deployment of the most cost-effective and fastest tools available to lower energy bills, improve reliability, and reduce dependence on volatile fossil fuel markets.

NYC has used ambitious climate goals as a strategy to drive change since the 2007 PlaNYC. Each planning cycle has set specific targets for emissions reduction, renewable energy expansion, and resilience. Mayor DiBlasio announced a target of 80 percent emissions reduction by 2050 at the People’s Climate March in 2014—the 80x50 plan—and then established subsequent building decarbonization and renewable energy targets as key components of the goal.¹⁷ In 2016, Mayor de Blasio expanded the city’s solar commitments from 450 MW by 2025 to 1 GW by 2030, directing city agencies to remove deployment barriers.¹⁸ These nonbinding

goals primarily function as milestones—meaningful progress requires follow-up legislation and enforcement mechanisms to translate aspirations into action.

More aspirations and actions are now needed to accelerate clean energy within the city in the face of urgent affordability and reliability challenges. Although utility-scale renewables remain essential for long-term decarbonization, they face significant barriers—including permitting and interconnection delays, land use conflicts, and supply chain issues—that slow development and limit their ability to address today's affordability crisis in the near term. In contrast, distributed solar and battery storage can be built quickly across New York City's built environment—on homes, businesses, schools, and parking lots. Rooftop and community solar generate low-cost electricity on site, directly lowering bills, while also reducing overall grid demand. Solar paired with storage not only produces local clean energy, but also shifts energy use away from peak periods, provides resilient backup power, and displaces polluting and expensive peaker plants that are harmful to public health and disproportionately burden the residents of environmental justice communities.

The impact of distributed solar paired with storage extends beyond individual participants. By lowering demand in wholesale markets managed by the New York Independent System Operator,¹⁹ distributed generation reduces market-clearing prices for all customers. These grid-wide savings are substantial. Analysis by Synapse Energy Economics found that scaling distributed solar and storage to 20 GW *statewide* could deliver \$1 billion in annual energy cost savings by 2035, including nearly \$500 million downstate, with bill reductions even for customers who do not directly install solar.²⁰ For New York City, expanding local solar is one of the most immediate ways to capture these system-wide savings.

New York City is already on track—almost 70 percent—to meet its 1 GW solar goal. But that benchmark no longer reflects the scale of need—or opportunity. Significant rooftop potential remains untapped for solar. The City lacks a formal storage target despite its critical role in reliability and cost control. NYSERDA's Energy Storage Roadmap indicates that *at least* 2 GW could be installed within the city, and in fact, must be in order to reach the 2030 and 2040 targets established by the CLCPA.²¹ Establishing more ambitious goals will send a clear market signal, align city and state policy, and drive innovative programs and investment to scale deployment.

New York City can move quickly by establishing these targets through a mayoral executive commitment—just as it did in 2016 when it set the original 1 GW solar goal. While not legally binding, executive goals can chart an ambitious path forward. City agencies, from the Department of Buildings (DOB) to the Department of Housing, Preservation and Development (HPD), can streamline and accelerate solar development. The City Council and

Mayor can use goals to influence budget decisions. And the solar industry reads these commitments as an indicator of market stability, making it safe for companies to invest in their businesses and hire more workers to meet demand.

New York City has done this before, setting targets and then driving policy changes to reach them. The 80x50 framework and solar goals created a vision that advocates and policymakers alike used to push for bold legislation: The Climate Mobilization Act turned that vision into tangible action. It instituted a binding mandate to reduce emissions through building decarbonization using laws such as Local Laws 92 and 94, which require solar or green roofs on all new buildings and renovated roofs; Local Law 97 which sets mandatory emissions limits for large buildings.²² The City then made changes to the zoning code to further support decarbonization by passing the City of Yes for Carbon Neutrality, which among other things, removed zoning obstacles so that solar could cover more rooftop space.²³ Other initiatives like NYCHA's commitment to site 30 MW of clean energy on its rooftops through the AccesSolar program demonstrate the various ways the City can leverage its agencies and assets to achieve its targets. These changes have catalyzed solar adoption on public and private buildings, driving growth in the solar industry and rapidly increasing the supply of clean energy within New York City.

Expanding the solar goal and establishing a storage target would build on the City's efforts, setting a new mile marker to strategically drive policy, agency alignment, regulatory changes, and private investment to achieve results. The resulting expansion of clean energy and storage is necessary to help fill the gap in renewable energy supply while lowering electricity costs by reducing grid congestion and reliance on expensive fossil fuel generation.

Expand Access to Solar Savings for Affordable Housing

Scaling solar and storage targets must be paired with policies that ensure these resources reach the New Yorkers who need them most. New York City should actively support the passage of a Direct Pay Solar and Storage Property Tax Abatement to expand access for affordable housing and nonprofit organizations.

Today, many of the buildings facing the highest energy burdens are effectively locked out of rooftop solar and storage. While NYC's existing Solar and Storage Property Tax Abatement (SEGS) covers 30 percent of project costs,²⁴ it only benefits entities with property tax liability. As a result, affordable housing, houses of worship, and nonprofits—those most in need of energy cost relief—are largely excluded. This gap is becoming more urgent as federal solar incentives phase down, further limiting available funding.

The existing SEGS is part of the NYS Real Property Tax Chapter in the Consolidated Laws of New York.²⁵

Though it is established as part of New York State Law, the program is only eligible to buildings located in New York City, and must be administered by NYC agencies. To remedy the regressive nature of the incentive, the state must pass a law to amend the Real Property Tax Chapter.

There is already state legislation introduced that would fix this inequity by allowing tax-exempt entities to receive the value of the abatement as a direct payment.²⁶ Modeled on existing “direct pay” structures used in federal clean energy incentives and state historic preservation rehabilitation incentives, this approach would unlock solar and storage for a broader set of mission-driven owners.

The urgency is increasing for affordable housing. Since 2017, operating costs for affordable housing have risen by roughly 40 percent, and many buildings require constant repairs and maintenance as rents fail to keep pace with expenses.²⁷ At the same time, owners are contending with declining rent collection, rising insurance costs, and tighter lending conditions—making new capital investments increasingly difficult.

Distributed solar and storage can help stabilize these buildings financially. By lowering utility costs for common areas, heating, cooling, and hot water—and by reducing exposure to volatile fuel costs—these systems deliver predictable, long-term savings. But in the current environment, energy upgrades are often deferred because of their steep up-front costs, even when they would bring much-needed savings in the long run.

A direct pay structure for the SEGS would make these savings accessible. At a relatively modest cost to New York City—estimated at approximately \$1 million in the first year, growing to \$5 million over four years—the policy would unlock decades of utility bill savings for affordable housing and nonprofits. Those savings can then be reinvested into building maintenance, resident services, and long-term affordability.

Although this legislation must be passed by the New York State Legislature, it applies only to New York City and relies on City support for implementation. State lawmakers are generally supportive, but have made clear the bill’s passage is contingent on the City signaling its backing.

To advance this policy, the Mayor should issue a formal memo of support endorsing the Direct Pay Solar and Storage Property Tax Abatement. This simple administrative action would unlock state approval and enable New York City to extend one of its most effective clean energy incentives to the communities that need it most.

Conclusion

New York City's energy affordability crisis demands immediate, coordinated action across multiple fronts. The current system—reliant on expensive fossil fuels and aging infrastructure—traps households in a cycle of rising costs that disproportionately burden low-income families. However, city leaders can take decisive action by streamlining access to existing bill relief programs, accelerating deployment of distributed solar and storage, and ensuring these benefits reach affordable housing and nonprofit organizations through direct payment incentives.

The complementary strategies discussed above—immediate relief paired with long-term structural solutions—offer a practical roadmap to transform New York City's energy landscape from one of mounting costs to affordable, clean, and locally controlled power that serves all New Yorkers.

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LOWERING COSTS FOR HOMEOWNERS

PRESERVING AFFORDABLE HOMEOWNERSHIP IN NYC:
EMERGENCY GRANTS FOR HOMEOWNERS, PROPERTY
TAX ABATEMENTS FOR SENIORS, AND PUBLIC
ADMINISTRATOR FOR CO-OP ESTATES

Mackenzie Lew, Supervising Attorney

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Mobilization for Justice

Affordable homeownership is threatened by temporary financial setbacks and increased property taxes, while affordable co-ops struggle to navigate Surrogate's Court and re-sell vacant apartments.

Affordable homeownership is increasingly difficult to maintain for average, working-class New Yorkers. Individuals and families who own one-to-four family homes, cooperative apartments (co-ops), and condominiums face temporary financial setbacks and increased property taxes.¹ Likewise, affordable co-ops, such as limited-equity Housing Development Fund Corporations (HDFC or HDFCs) for low-income people, face barriers to maintaining financial health.² New York City can address these issues by optimizing already-existing systems, namely through increasing provider knowledge and program availability.

One-Time Homeownership Arrears

Like renters, homeowners, co-op shareholders, and condominium owners can experience temporary financial setbacks due to the loss of a job, a death in the family, medical emergencies, and caring for a family member. Temporary financial setbacks cause homeowners to fall behind on property taxes, homeowners insurance, mortgage payments, monthly maintenance fees, and monthly homeowners association fees. When a temporary setback has ended but these accrued arrears are not resolved, homeowners can face mortgage foreclosure, property tax lien foreclosure, non-judicial foreclosures, and eventually eviction. The homeowners most at risk are, unsurprisingly, Black and minority individuals and families who continue to face wage stagnation, and also seniors and families who rely on fixed income, such as Social Security disability or retirement benefits.³ The City provides emergency grants to cover one-time homeownership related arrears, called One Shot Deals, which are administered by the NYC Human Resources Administration (HRA).⁴ However, providers, including HRA and the City-funded service program Homebase, lack knowledge of the various types of homeownership costs that can be covered. As a result, homeowners are often improperly denied access to emergency relief.

NYC Property Tax Benefits For Low-Income Senior and Disabled Homeowners

As property values across the City continue to skyrocket, low-income homeowners, especially those who are seniors or who have disabilities, face increased and unaffordable property tax responsibilities. Homeowners

in Black and majority-minority communities bear the heaviest burden of property tax increases.⁵ When a homeowner falls behind on property taxes, the City can sell the tax lien to a third party, who eventually seeks foreclosure against the homeowner. The City, as authorized under New York State law, makes available two property tax programs that defray some of the costs: the Senior Citizen Homeowner Exemption (SCHE) for low-income, senior homeowners, and the Disabled Homeowner Exemption (DHE) for low-income, disabled homeowners.⁶ To be eligible for SCHE or DHE, a homeowner must meet income eligibility requirements. But, the income limits for these programs have not been updated since 2017, and they no longer reflect the actual costs of living.⁷ Because the income limits are outdated, there are large swaths of homeowners who would benefit greatly from these programs but who do not qualify.

Public Administrator for HDFC Co-Op Shareholders' Estates

HDFC co-ops, which are created through a City-subsidized affordable homeownership program for low-income New Yorkers, are facing increased and often insurmountable operating costs.⁸ One distinct barrier to HDFCs' ability to maintain financial health is the sheer number of units that sit vacant after a shareholder passes away intestate (without a will) and no family member is willing or able to petition to administer the estate in Surrogate's Court.⁹ When a shareholder's estate is not administered, the unit cannot be resold and the HDFC therefore misses out on a much-needed, regular income stream through monthly maintenance payments. Typically, when an individual with a small estate passes away without a will, an office known as the Public Administrator can administer the estate.¹⁰ But, HDFCs lack the financial and legal prowess to regularly handle these legal matters. And, even when an HDFC can afford to engage in the legal process, the Public Administrator often declines to handle these deceased shareholder estates. Because the estates go unadministered, and the apartments do not generate maintenance fees as a result, not only can HDFCs not afford general operating costs and risk facing foreclosure, but affordable apartments that could otherwise be provided to low-income New Yorkers sit vacant.

NYC can preserve affordable homeownership through three simple changes to existing programs.

The City can address these distinct affordable homeownership issues by leveraging three already-existing programs. First, the City can expand access to One Shot Deals for homeowners by educating HRA and Homebase employees. Second, the City can increase the income eligibility limits for senior and disabled homeowners to qualify for SCHE and DHE. Third, the City can mandate that the various Public Administrator offices accept appointments for HDFC shareholder estates.

Provide Substantive Trainings To HRA And Homebase Employees

The City can protect working-class homeowners from foreclosure and homelessness by increasing access to emergency grants, otherwise known as One Shot Deals, for homeownership-related arrears resulting from temporary financial setbacks. This can be achieved through targeted education of HRA and Homebase employees, specifically: (1) to reaffirm that homeownership-related arrears are qualified arrears for purposes of One Shot Deals, and (2) to build technical knowledge regarding the various forms of homeownership, the various types of arrears that homeowners can accrue, and the documents related to homeownership related arrears.

To implement this educational effort, no legislation or rulemaking is required; the NYC Department of Social Services, which houses HRA, can simply direct additional training to be held. Moreover, a budget is unnecessary because the training can be conducted by civil legal service providers who are members of the State's Homeowner Protection Program (HOPP) network, including Mobilization for Justice (MFJ).¹¹ As a HOPP provider, MFJ and its attorneys have deep substantive knowledge of training topics and have experience assisting homeowners, co-op shareholders, and condo owners obtain One Shot Deals. Lastly, the program's success would be measured by the number of households who averted foreclosure through receipt of a One Shot Deal, and the costs avoided by the City for not having to provide emergency shelter to those households.

Increase Income Eligibility Limits For SCHE and DHE

The City can protect our most vulnerable homeowners from foreclosure and homelessness by increasing access to the property tax benefits known as SCHE and DHE. Access to the programs can be increased by raising SCHE and DHE's income eligibility limits and therefore expanding the number of low-income senior and disabled homeowners who are eligible for the property tax benefits. The New York State Real Property Tax

Law establishes the SCHE and DHE tax benefit programs for homeowners who meet certain criteria.¹² While State law sets the maximum benefit amounts, localities that adopt the programs are given authority to set the income eligibility limits.¹³ Accordingly, the City does not need to rely on the passage of State legislation or engage in rulemaking to implement this proposal. The income limits can be adjusted through amendment of the NYC Administrative Code through City Council legislation.¹⁴

The City, having adopted SCHE and DHE, last updated the income limits in 2017. As a result, the current baseline annual income to qualify is \$50,000, and the maximum annual income to qualify is \$58,400.¹⁵ In 2025, an individual earning \$50,000 a year is considered “very low income.”¹⁶ The New York City Council can amend the NYC Administrative Code’s provisions governing the NYC Department of Financial Services, the City agency that administers SCHE and DHE, to increase the income eligibility limits. Specifically, the City should increase the baseline annual income to 80 percent of the City’s Area Median Income (AMI). In the City, a person earning 80 percent of the AMI—or an annual income of \$90,720 for an individual—is considered “low income” due to the high cost of living.¹⁷

Table 1. Proposed New Income Eligibility Limits for SCHE and DHE

Percentage Assessed Valuation Exempt From Taxation	Current Income Limits (last updated 2017)	Proposed Income Limits
45%	More than \$50,000 but less than \$51,000	More than \$90,720 but less than \$91,720
40%	\$51,000 or more but less than \$52,000	\$91,720 or more but less than \$92,720
35%	\$52,000 or more but less than \$53,000	\$92,720 or more but less than \$93,720
30%	\$53,000 or more but less than \$53,900	\$93,720 or more but less than \$94,620
25%	\$53,900 or more but less than \$54,800	\$94,620 or more but less than \$95,520
20%	\$54,800 or more but less than \$55,700	\$95,520 or more but less than \$96,420
15%	\$55,700 or more but less than \$56,600	\$96,420 or more but less than \$97,320
10%	\$56,600 or more but less than \$57,500	\$97,320 or more but less than \$98,220
5%	\$57,500 or more but less than \$58,400	\$98,220 or more but less than \$99,120

Given that the proposal would merely adjust the income limits of an existing program, the cost of implementing the administrative changes would be little to none. Although the overall amount of property taxes charged by the City to senior and disabled homeowners would likely decrease, the City is likely not collecting the entirety of taxes charged to this subset of homeowners as a good share of those households’ property tax accounts are likely overdue or already in significant arrears. Moreover, the overall value of keeping senior and disabled homeowners housed outweighs the City’s likely cost to provide specialized, temporary shelter. After implementation, the proposal’s success could be measured by whether the number of households receiving SCHE or DHE increases, and whether the amount of property tax arrears owed to the City decreases.

Mandate Public Administrator Involvement for HDFC Shareholder Estates

The City can preserve HDFC co-ops, one of the few forms of affordable homeownership, by advocating for increased involvement in HDFC shareholders’ estates by the Public Administrators. With the Public

Administrators' involvement, apartments that sit vacant after the shareholder passes away can be resold to and occupied by new, qualified shareholders, thus generating income for the HDFC co-op. This can be achieved by mandating that the Public Administrator administer each HDFC shareholder's estate where no next of kin petitions to administer the estate. To implement this proposal, three legislative changes are necessary:

- 1. Add a provision to the Surrogate's Court Procedure Act mandating that the Public Administrators administer HDFC shareholder estates.**

The State legislature must amend Section 1116 of the Surrogate's Court Procedure Act by adding a new subsection three that would direct the Public Administrators to administer HDFC shareholder estates where no next of kin petitions to administer the estate.¹⁸ Requiring the Public Administrators to administer HDFC shareholder estates would remove the burden of doing so from the HDFC co-ops, which already take in limited income and often have precarious financial health. Because authority over the Public Administrators ultimately lies in the Surrogate's Court Procedure Act, this proposal would need to be implemented through state legislative action. While Public Administrators are further subject to guidelines issued by an Administrative Board of the Offices of the Public Administrators of New York State, the Board's members are appointed by various state officials, courts, or offices, and so cannot be directed as an entity to make specific amendments to the guidelines.¹⁹ Given the concentration of HDFC co-ops in New York City, the Mayor is uniquely situated to advocate for this amendment in Albany.

- 2. Amend the Surrogate's Court Procedure Act provision which permits the Public Administrators to decline to administer estates of "no value," to create an exception for HDFC shareholder estates.**

The State legislature must also amend Section 1126 of the Surrogate's Court Procedure Act, which currently permits the Public Administrators to decline to administer estates they have deemed of "no value."²⁰ In the context of HDFC shareholder estates, the Public Administrators usually deem the estate to have no value and invoke this exception when the apartment has a low resale price and there are significant monthly maintenance arrears due. The amendment can carve out an exception, allowing the Public Administrators to decline to administer an estate of no value except where the estate is a deceased HDFC shareholder's. This amendment would ensure that HDFC shareholder estates are administered regardless of the value. Here, too, although state action is required, the Mayor must play a central role in calling for this change.

3. Provide for City-funded fees to be paid to the Public Administrator where the HDFC shareholder's estate has "no value."

To ensure that the Public Administrators' offices have resources to administer HDFC shareholder estates of no value, the City must fund the work. Each Public Administrator receives a base salary and the office can collect additional fees based on the estate's value as well as attorney's fees for legal services.²¹ Where an HDFC shareholder's estate has no value, it is generally understood that the Public Administrators invoke Section 1126 of the Surrogate's Court Procedure Act to decline to administer the estate because there are no estate assets to fund fees to the Public Administrator. The City's role over the Public Administrators within the five boroughs is financial rather than supervisory; the City pays the Public Administrators' salaries and is answerable for the execution of the Public Administrators' duties.²² Accordingly, the City can set fees to be paid for this specific administration, perhaps through NYC Housing Preservation and Development's Office of Development, which oversees the preservation of affordable housing.²³

Conclusion

Housing within the five boroughs is increasingly expensive. Affordable homeownership is threatened by rising operating costs and by the fact that homeowners' wages have not grown with the cost of living. As described above, three distinct proposals can expand access to existing programs, and in doing so, protect affordable homeownership. First, the City can ensure that low-income homeowners are not being improperly denied emergency grant assistance for one-time arrears through targeted education of HRA and Homebase employees who administer the grants. Second, the City can expand access to property tax benefits for senior and disabled homeowners by increasing the eligible income limits. Third, the City can encourage the State legislature to direct the various Public Administrator offices to administer HDFC shareholder estates to allow HDFC co-ops to resell vacant apartments after low-income shareholders pass away.

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LOWERING COSTS FOR LOW- TO MODERATE- INCOME NEW YORKERS

A THREE-PRONGED PLAN TO INCREASE FINANCIAL
AND HOUSING STABILITY FOR LOW- TO MODERATE-
INCOME NEW YORKERS

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Low- to moderate-income New Yorkers struggle to access and maintain stable housing due to credit, income, and financial shocks.

Access to credit and housing are inextricably linked for low- to moderate-income (LMI) New Yorkers, with challenges in one arena inevitably impacting the other. Any financial shock (e.g., emergency dental work, a sick child needing a parent to stay home and miss a shift) can send a household into a financial spiral. This is a particularly acute problem for the roughly 1.9 million New Yorkers who meet the United Way's definition of "ALICE"—Asset Limited, Income Constrained, Employed—meaning their earnings do not cover the cost of basics in their communities.¹

The negative consequences of predatory credit products and practices on this population are severe, from an immediate impact on cash flow in the form of high interest and fees, to long-term impact on credit in the form of high utilization rates, missed payments, defaults, and collections that result from untenable terms and rates.

These consequences reverberate when New Yorkers are looking for a place to live and run into routine credit checks, price increases, and financial shocks that threaten their ability to make rent. A low credit score, often due to circumstances beyond one's control, can harm the chances of getting approved by prospective landlords. Moreover, when a family is living in City-subsidized housing, any increase in income triggers a decrease in housing subsidies.² And without access to low-cost credit, New Yorkers facing financial shocks or rent increases have no good options—and their bad options may require a desperate decision to not pay rent in order to meet their other financial obligations, further impacting their future access to housing. These structural issues can combine to trap working New Yorkers and their families in poverty.

New York City has made meaningful investments in tenant and consumer protection, as well as affordable housing access. However, these efforts have largely not addressed the interconnected cycle through which financial shocks damage credit, damaged credit restricts housing access, and income gains can actually reduce affordability.

NYC can remove credit barriers to housing, stabilize housing costs, and increase access to credit.

The Mamdani Administration can comprehensively address the issue of affordability for New Yorkers by tying multiple strategies together to create an effective mobility ladder throughout the housing system, recognizing how different policies overlap and enhance each other's effects. Our recommendations include:

1. Removing certain credit barriers for tenants, even if the rental units are not state-funded.
2. Stabilizing housing costs for approximately 1.1 million New Yorkers by capping rent increases for New York City Housing Authority (NYCHA) residents, Section 8 voucher holders, and City housing lottery tenants at the lower of either the household's income growth ratio or the standard annual Rent Guidelines Board (RGB) percentage.
3. Establishing a small-dollar emergency Loan Loss Reserve Fund. This policy mitigates risk for local credit unions and Community Development Financial Institutions (CDFIs), enabling them to offer low-interest loans of up to \$2,500. These loans would become a lifeline for struggling New Yorkers facing financial shocks, providing access to low-cost credit that helps them avoid falling behind on their rent and damaging their credit with predatory financial services.

These policy proposals catch LMI New Yorkers at various inflection points, providing the opportunity to get their financial and housing situation back on track before it becomes a crisis.

Removing Credit Barriers To Housing

To expand access to housing affordability and combat discriminatory practices throughout the housing qualification process, the Mamdani Administration should expand existing Department of Housing Preservation and Development (HPD) credit practices by fully removing credit barriers linked to bankruptcy filed within the preceding twelve months and thresholds for unsatisfied delinquencies to "housing lottery" units and, potentially, to units that are not state-funded.³ Specifically, the proposal calls for the HPD to eliminate its current application criteria of 12-month bankruptcy and the \$5,000 unsatisfied delinquency thresholds for lottery housing. This policy would likely benefit thousands of New Yorkers who are currently locked out of affordable housing opportunities due to a low credit score stemming from systemic economic challenges. Ideally, this policy would be implemented in conjunction with current policies that provide free financial counseling to New Yorkers, which can identify and correct other credit and financial issues to support long-term housing stability.

The proposal relies on both executive and legislative changes to rules and practices, utilizing existing agency capacity, such as HPD for compliance, and the Department of Consumer and Worker Protection (DCWP) for financial counseling services.

Mayor Mamdani can issue an Executive Order (EO) directing HPD and other relevant agencies to immediately cease the use of credit scores, credit reports, and related disqualifying criteria for all City-owned, City-financed, or City-regulated affordable housing units (e.g., lottery buildings). The EO should expand the existing HPD tenant selection criteria to specifically remove existing barriers such as the 12-month bankruptcy and the \$5,000 unsatisfied delinquency thresholds.

For privately owned housing stock with no relevant City nexus, the City Council must pass legislation amending the NYC Administrative Code to prohibit landlords, brokers, and management companies from using credit scores, credit checks, or specified adverse credit history (like non-housing-related bankruptcies or delinquent debt) as a determining factor in evaluating all prospective tenants for any rental unit in NYC, regardless of City funding. This would make the ban permanent and comprehensive.

No new budgetary action would be needed given that, after negligible costs associated with initial adoption of the EO, ongoing efforts would be already covered by existing compliance and financial counseling work by HPD and DCWP, respectively.

Examples of Past Success and Measuring Future Success

New York City already prohibits certain uses of credit reports for housing and has limited protections in place, making this an expansion of existing policy. For example, landlords cannot reject applicants for lack of credit history or solely based on credit score. Additionally, credit checks are not permitted for voucher holders, homeless referrals, or clients in process for project-based subsidy or supportive units.⁴

Other municipalities have already taken similar steps. Seattle, Washington, has a "Fair Chance Housing" ordinance that restricts the use of eviction history and criminal records, and has debated restricting the use of credit scores in rental applications—showing local jurisdictions' capability to regulate tenant screening.⁵ Minneapolis, Minnesota, passed an ordinance prohibiting landlords from using credit score or lack of credit history for housing applications, classifying it as discriminatory.⁶

Once the above executive and legislative steps are taken, their effects can be measured in several meaningful ways:

- **Increase in the rate of successful housing placements** for applicants (especially Black and Latino households) who were previously denied due to credit-related issues in HPD-regulated lotteries.
- **Decrease in the number of appeals/denials** citing credit history, bankruptcies, or high delinquent debt in HPD lottery buildings.
- **Change in the demographic composition of new tenants** in affordable housing lotteries, specifically monitoring the housing rate for Black and Latino families.
- **Decrease in the volume of complaints** filed with the NYC Commission on Human Rights related to credit-based housing discrimination after the legislative ban.
- **Increase in satisfaction** with the clarity and accessibility of the housing lottery communication (specifically related to preferred language and credit alternatives).

Rent Stabilization for Households in City-Subsidized Housing

The City can stabilize housing costs for LMI households who are already housed but stuck in a cycle of subsidy dependence and unable to afford market-rate rental housing by transitioning subsidized housing rent structures from a rigid “30 percent of income” model to a Tiered Rent Model. Under a Tiered Rent Model, households pay a fixed rent based on their income tiers, rather than paying a percentage of their income. This would enable the City to cap rent increases by moving toward a recertification cycle for Section 8 residents that takes place every three years: whereas currently residents must annually recertify and see their rent increase as their income increases, under a Tiered Rent Model with less frequent recertifications, residents’ rent would only increase if their income increases into a higher tier. In adopting a Tiered Rent Model with less frequent recertifications, the City will eliminate the “upward mobility tax” that currently penalizes working-class families for earning more, and empower tenants to grow and prosper in their communities.

At the federal level, The U.S. Department of Housing and Urban Development’s (HUD) Moving to Work (MTW) program aims to improve the metrics of rent subsidy programs with the following objectives of reducing costs and achieving greater cost effectiveness, providing incentive for families toward self-sufficiency, and increasing housing choice options to LMI families. The program gives public housing agencies the power to design their own alternate rent policies.⁷ Under this program, NYCHA can use its federal block grant more flexibly to cover

any rent gap caused by the three-year freeze. Because the 30 percent rule is mandated by the federal Brooke Amendment, the Mayor must utilize NYC's status as an MTW agency to apply for HUD Waivers; these waivers would allow the City to opt out of standard rent math to test this Tiered Rent Model.

The City can use a set of executive and legislative actions to ensure that subsidized housing residents are not penalized for any upward mobility they experience. At the City level, the Streamlining Procedures to Expedite Equitable Development (SPEED) Task Force—an interagency group that identifies policies and procedures affecting affordable housing and recommends strategies for streamlining those processes⁸—provides an opportunity to expedite and improve the process of affordable housing working alongside Mayoral and City agencies. The Mayor can use his authority over the SPEED Task Force to pilot the Tiered Rent Model on City-funded projects immediately and can issue a Mayoral Directive to HPD to adopt the pilot's three-year recertification for all new lottery buildings. Down the road, the NYC Council would need to pass a local law to make these changes permanent.

Although these proposals would reduce the City's rental income, these savings paired with increased housing security for New Yorkers would meaningfully offset losses. For example, moving away from annual income recertifications would save the City thousands of staff hours, reducing agency operating costs and increasing efficiency. At the same time, eliminating two out of every three recertification audits would save the City millions in labor and mailing costs. NYCHA and HPD will see the impact of the rent-share portion being locked in three years.

Examples of Past Success and Measuring Future Success

Since 2023, the Tiered Rent Model has been launched in five municipalities (Houston, Akron, Charleston-Kanawha, Everett, and Washington County) using the tiered rent approach over six years, where it is estimated 17,000 households will enroll and participate in the trial period.⁹ Additionally, HUD is currently conducting a randomized controlled trial on 10 agencies in cities across the country, for which success metrics are currently being collected.¹⁰

New York City's Family Self-Sufficiency Program represents an alternate, but comparable, path to avoiding money lost to rental increases, putting NYCHA and HPD Section 8 Voucher Holders' incremental rent increases into escrow accounts for five years accessible upon graduation from the program where the average savings is well over \$6,000.¹¹ While participants still pay for rental increases under this program, the money is repurposed for economic mobility.

Internationally, Singapore’s Housing & Development Board uses a tiered subsidy model that allows residents to build home-equity savings while living in subsidized housing, though their model is more focused on ownership than rental caps.¹²

The City can measure the success of a Tiered Rent Model through existing and new data collection. HUD is currently tracking data on the Tiered Rent Model in five cities, measuring the following:

- Employment rates
- Savings growth
- Administrative cost savings

In addition to the above, the following additional metrics could be tracked through baseline survey and follow-up surveys to capture their financial situation to determine the efficacy of this approach:

- Debt reduction, demonstrating increased ability to pay other bills without the strain of increased housing costs
- Increased job promotion rates, demonstrating increased appetite for raises without the fear of corresponding rent increases
- Decreased tenant requests for “emergency resets” (a stopgap measure for households facing financial hardship), demonstrating increased financial stability and ability to make rent
- Increased number of families who voluntarily move into market-rate housing or homeownership, demonstrating increased savings, overall financial health, and long-term success of the housing program

Small-Dollar Emergency Loan Loss Reserve Fund

This policy directly supports housing stability for LMI New Yorkers by expanding access to emergency loans at affordable rates. Building on the proven model of Payday Alternative Loan products¹³—already successfully offered by many New York City credit unions—this proposal introduces a municipal backstop to mitigate risk for local credit unions and Community Development Financial Institutions (CDFIs) as they offer low-interest loans of up to \$2,500 to underbanked individuals. By covering a portion of potential defaults—up to 20 percent of the total loan pool—the City can unlock millions in private capital for residents who would otherwise be forced into the cycle of payday lending or high-interest debt during financial shocks.¹⁴

In short, by partnering with local credit unions and CDFIs and guaranteeing a portion of their loans to New Yorkers who otherwise would not qualify, the City can ensure access to affordable and safe emergency loans. Expanding access to low-cost consumer loans would provide more New Yorkers with the cash cushion needed to stay current on rental payments and other necessities in the event of a financial shock like an illness or interruption. This not only protects their housing stability, but also prevents them from turning to high-cost, predatory loans that further damage their cash flow, credit, and long-term housing prospects.

Interagency coordination is necessary for this proposal to work, as no single NYC agency has unilateral authority over consumer finance policy, fund capitalization, lender procurement, and compliance. At least three agencies or offices would play a central role.

First, the NYC Economic Development Corporation (EDC), the City's lead economic development agency, would be responsible for leading the work as a fund administrator, including structuring and administering the Loan Loss Reserve Fund, conducting the Request For Proposals (RFPs) for credit unions and CDFIs, contracting with lending partners, and potentially scaling the fund through private capital partnerships. The Mayor would be able to influence EDC members to take up this role through making appointments to the agency¹⁵ and as a result of City-provided funding.¹⁶

Second, assuming that the Mayor outlines the loan loss reserve program as a line item in the Preliminary Budget typically proposed in January, negotiations then take place with the City Council. If funding is ultimately approved, the Mayor's Office of Management and Budget (OMB), the City's chief financial agency, would then be responsible for allocating the funds for the Loan Loss Reserve Fund and providing a "Certificate to Proceed" for the funds to be released by any City agency. Funding for this program would most likely be allocated under the Expense Budget, which covers the City's operational expenses, as opposed to the Capital Budget, which focuses on infrastructure investments.¹⁷

Third, DCWP, the City's consumer consumer protection agency, could take on the role of setting, at the design stage, and enforcing, once operational, the consumer protection standards for lending partners (e.g., interest rates, fee limits, disclosure rules, and overall underwriting parameters). If DCWP is limited by resources and capacity, its role could be limited to advising EDC on how to incorporate these standards into the program.

Aspects of the proposal could be implemented immediately. First, Mayor Mamdani can issue an Executive Order to create the "Household Emergency Credit Loan Loss Reserve Initiative," designating the lead agencies (e.g., EDC) to implement it and set policy goals (e.g., the number of loans to be disbursed, neighborhoods or demographics to focus on). The EDC could then begin the RFP process. If using existing EDC funds already

appropriated, then a pilot could be launched. If not, the proposal would need to go through the budgetary approval process briefly summarized above. A pilot is the best option as it's quickest to implement. Under the Section 11.05 of the Master Contract between the City of New York and the EDC, if EDC has over \$7 million in extra unrestricted funds, the City can request the additional amount above that.¹⁸ A portion of these funds could then be dedicated for the loan loss reserve pilot. Assuming a 20 percent loan loss reserve ratio and an average loan size of \$1,000, a \$2 million reserve fund established could support approximately \$10 million in lending capacity—or roughly 10,000 small-dollar emergency loans. Impact metrics from this pilot could be considered statistically significant to make adjustments as needed and provide the data necessary for City Council to codify it into the budget down the line.

For ongoing impact, this proposal will require some sort of fiscal authorization, especially if this is meant to be a recurring line item in the City Budget. For the fastest launch, only City dollars should be used. The problem is local, the beneficiaries are City residents, and the Mayor can move fastest with municipal resources. In this situation, no federal or state permission is required as NYC has “Home Rule” authority over its fiscal matters. If the City cannot fully capitalize the fund, then federal Community Development Block Grants are the next best source of funds. These funds are often used for neighborhood stabilization, economic opportunity, and anti-poverty initiatives—goals that are squarely in line with this proposal. Once there is available data regarding program impact, conversations can take place to make the Loan Loss Reserve Fund permanent legislatively.

Examples of Past Success and Measuring Future Success

The expanded NYC Future Fund—which makes financing more accessible to small businesses across the city—serves as a recent example by the Mamdani Administration of how supporting CDFI lending unlocks more capital. The NYC Future Fund began as a pilot in 2025 run by the City's Department of Small Business Services, during which four businesses received \$1.2 million in small business loans. This year, the program relaunched with \$80 million and a mission to serve businesses citywide, with funding provided by OMB.¹⁹

Although impactful, this is not a novel approach. New York State already offers grant funds to CDFIs to facilitate lending to underserved individuals and small businesses,²⁰ and nationally, the Dodd-Frank Act established a Small Dollar Loan Program via the Treasury Department, providing grants to CDFIs for loan loss reserves.²¹

Success for New Yorkers can be measured in terms of:

- Percent of borrowers who successfully repay their loan
- On-time repayment rate
- Approvals by borough, zip code, income band, race, gender (equity metrics)
- Household stability, in terms of the percent of households who avoided predatory products, overdrafts, or high-interest credit cards; achieved a credit score increase after six months; or increased their household savings rate after six months

Success for the financial sustainability of the program and portfolio/capital-related measurements can be evaluated via:

- The portfolio loss ratio (between 10 and 15 percent can be considered stable)
- Capital velocity (i.e., how quickly funds are recycled, using industry benchmarks)

Conclusion

The levers that keep New Yorkers in poverty, without access to appropriate credit products, and without access to stable housing, do not act independently of one another, and that is why they require a multi-pronged approach. New York City has shown its commitment to increasing the supply via such plans as the City of Yes Housing Plan, but we need to make sure that the most vulnerable populations are not being left behind, and we can do that using targeted, high-impact interventions. It is entirely possible that the same household could benefit from all three of these interventions, which separately and together help create a more affordable, more equitable, and more prosperous New York City.

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LOWERING COSTS FOR SMALL BUSINESSES

REDIRECTING SUPPORT AND REFORMING
COMMERCIAL LEASING TO STRENGTHEN NEW YORK
CITY SMALL BUSINESSES



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New York City small business owners are struggling to compete in an unfair market.

From bodegas and local coffee shops to home-based childcare facilities and independent locksmiths, New Yorkers rely on small businesses every day. Small businesses are the lifeblood of New York City, and they are part of what makes the City such a unique and special place. Notably, these businesses are just as important to their employees and our economy as they are to their customers. In fact, small businesses employ 50.2 percent of metro area workers and generate \$1 trillion in state revenue.¹

Concerningly, and despite their importance to the very fabric of our city, local small businesses are increasingly struggling under the weight of tariffs, inflation, healthcare costs, and commercial leasing prices and practices. And while these problems are felt by most small businesses day to day, they aren't the limit of their concerns. Unfair competition from Wall Street and from dominant corporations worldwide casts a shadow on many of the small businesses that have been in this city for decades, as everything from local grocers to drug stores are pushed out by chains, and specialty shops are overrun by big box stores.

"It doesn't feel like New York City wants to keep us here," said the owner of a small storefront in Tribeca at a recent roundtable hosted by Small Business Majority.

In the city of opportunity, the hard truth is that small businesses are lagging. A recent report found that small business growth in New York state has lagged behind the nation. Between 2001 and 2023, the number of small business firms grew 9.5 percent in New York compared to 14.2 percent in the rest of the nation, ranking twenty-second among states.² A 2025 report from the New York City Economic Development Corporation found that a mere 3,500 new businesses were started in New York City in the second quarter of 2025, the weakest quarter of new business formation in five years.³

Small businesses are also important as a collective because small business owners reflect the authentic diversity of New York: 23 percent are woman-owned and 26 percent are Black, Indigenous, People of Color (BIPOC)-owned. In contrast, large companies that the City is subsidizing are less than 4 percent and 3 percent woman- and BIPOC-owned, respectively.⁴ This is not only an issue of community development, but also one of economic equity. Small business owners need relief now.

As it stands, it's actually the largest corporations that receive the greatest share of city subsidies, tax breaks, and incentives. The City should audit these programs and ensure benefits are directed toward the smallest

businesses to help level the playing field. Additionally, high commercial rents in New York City remain a major barrier for small business owners. The City should incentivize landlords to offer longer leases and more equitable terms to independent, small businesses.

Conduct an Audit of City Subsidies in Order to Ensure Benefits Are Targeted Toward the Smallest Businesses

City leadership should address the decline in small business growth and prevent the erasure of small businesses from local communities by auditing current subsidies, tax breaks, and incentives and then direct them away from industry giants and toward local businesses.

In New York City, public funds meant to address affordability often wind up being used to subsidize corporate spending and power rather than invested in small business growth programs, such as commercial lending, job training, storefront accessibility and housing.

The 2026 New York State budget includes \$3.7 billion in new corporate subsidies.⁵ At the same time, independent research from across the political spectrum has consistently found that these incentives often fail to deliver meaningful economic benefits or a strong return on taxpayer investment, calling into question common claims about their effectiveness.⁶

The true cost of corporate subsidies, however, is not always clear. There is limited accessible data on the full fiscal impact of these tax breaks, including the amount of revenue forgone. Without full transparency, it is difficult to assess whether subsidized companies are meeting their commitments or whether these incentives effectively support economic development that benefits communities. Strengthening the collection and public availability of data, including which companies receive subsidies, the amounts awarded, the outcomes promised and whether those outcomes are achieved, would improve transparency and enable more informed evaluation.

The Mamdani Administration should direct the Department of Small Business Services, the New York City Economic Development Corporation (NYCEDC), the Office of Management and Budget, the Mayor's Office of Minority and Women-owned Business Enterprises, and the Department of Finance to work with the New York City Comptroller to conduct an audit of current city subsidies to ensure these benefits are targeted toward the smallest businesses rather than large corporations, helping to level the playing field. With the projected \$2.2 billion budget shortfall in FY 2026 and \$10.4 billion in FY 2027, New York City must close gaps in the budget by looking at who we are unnecessarily subsidizing, and commit to eliminating ineffective spending that does not bolster our local economy or support equitable economic development.⁷

Create Commercial Leasing Incentives for Landlords to Address the Affordability Crisis

Established small business owners are being priced out of commercial leases and lack basic protections. Currently, there are no protections against a landlord declining to renew a lease with minimal notice, and they're under no obligation to negotiate lease renewals in a fair, transparent, or good-faith manner.

With no vacancy tax on empty storefronts, there is no penalty for keeping properties vacant, leading to an estimated 12 percent storefront vacancy rate across New York City, and nearly 1 in 5 in Manhattan.⁸ What's worse, tax write-offs on vacant properties reduce the financial pressure to lease spaces, allowing landlords to wait for higher-paying national chains rather than leasing to small businesses. A state effort, S6804, which would impose a commercial vacancy tax on vacant or abandoned commercial storefronts, has faced steep opposition since 2019.⁹

When small businesses disappear and storefronts remain empty, jobs are lost, public safety declines and communities suffer.

Incentivizing Fair, Long-Term Leasing

With the aforementioned audit, the City should find ways to cut its subsidization of corporate power and further invest in our small business community. To level the playing field and to give small businesses a fighting chance, NYCEDC and New York City Industrial Development Agency (NYCIDA) must incentivize landlords to offer fairer, longer leases to independent businesses.

The City's existing Food Retail Expansion to Support Health (FRESH) program serves as a strong model for how this can be accomplished. The FRESH program brings healthy and affordable food options to under-resourced communities by using tax breaks to lower the costs of owning, leasing, developing, and renovating supermarket retail space. Zoning incentives are facilitated through the Department of City Planning, while tax incentives are administered by NYCEDC and NYCIDA.¹⁰ As a result of these incentives, more than 1.1 million square feet of supermarket space has been developed or renovated, and over 2,000 jobs have been created or retained—demonstrating how targeted incentives can achieve community-focused outcomes.¹¹

The City, through NYCEDC, NYCIDA, and the support from other agencies, should create a tax incentive for landlords who lease to locally owned small businesses on fair leasing terms and agree to a schedule of modest rent increases, similar to the FRESH program, particularly in certain targeted neighborhoods that are seeing

small business storefront decline. This initiative can begin as a pilot using existing NYCEDC/NYCIDA funds, however, savings identified through the proposed subsidy audit should be repurposed to support this effort. Redirecting existing economic development spending—rather than creating entirely new funding streams—offers a fiscally responsible path forward. The Administration can work with the City Council in the future to create dedicated, long-term funding, as needed. To further implement these strategies and create a fair real estate landscape for small businesses, the City can work with the New York State legislature to further authorize property tax-based incentives.

Outside of New York, we have seen similar efforts to stave off commercial evictions, with some cities providing commercial rent relief as part of their emergency small business assistance during the pandemic. For example, the City of Pittsburgh provided grants of up to \$3,000 to landlords who agreed to reduce rents for three to six months for commercial tenants.¹² San Francisco and Washington, D.C., have also implemented vacancy taxes on properties left empty for extended periods, discouraging prolonged vacancies.¹³

The steeply rising costs of this city are stifling small businesses in every way. Although this proposal will not fully resolve these challenges, it represents a meaningful step toward stabilizing small businesses and returning them to long-vacant storefronts.

Conclusion

Small businesses are the heartbeat of our city, but this heartbeat is rapidly fading. It only takes a quick walk around any neighborhood to see empty storefronts and corporate chains lining the street. By auditing and rebalancing corporate subsidies, tax breaks, and incentives, the City can ensure investments deliver meaningful economic returns—rather than primarily subsidising the City’s richest companies and CEOs. By addressing commercial leasing challenges, it can stabilize neighborhoods and reduce persistent storefront vacancies. These solutions, paired together, will not increase spending of our already-limited budget, but will use existing resources more effectively to support local economies. No single policy will fully resolve the pressures facing small businesses, but these actions represent a critical step toward a more equitable and sustainable economic future where small businesses can continue to grow, hire, and serve as the backbone of New York City’s communities.

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LOWERING COSTS BY OFFERING AN ALTERNATIVE ENERGY SUPPLIER

NYC CAN TAKE CHARGE OF ITS ELECTRICITY
SUPPLY

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New York can't meet climate and affordability goals without having control over its energy.

When it comes to shaping the cost and environmental impact of its energy service, New York City is at the mercy of its for-profit utility providers. In a 2025 inventory of the city's greenhouse gas emissions, over 70 percent resulted from use of electricity and fossil fuels in buildings.¹ The utilities providing this service—electricity and gas from Con Edison (ConEd) and gas from National Grid—operate as for-profit monopolies. Regulation of these utilities defaults to the state, leaving New York City a price and service taker for its energy needs.

The costs to New Yorkers of energy dependence are high: an average increase in electricity bills of 37 percent over the past five years.² Gas bills have been exploding, with average bills for ConEd customers rising 70 percent in five years and average gas bills for National Grid customers spiking 40 percent in the past 12 months alone.^{3,4} Over 12 percent of the cost of a ConEd bill covers the utility's profits alone. New Yorkers pay the equivalent of an extra month-and-a-half of electricity use, or \$178 per year, for a profit margin that exceeds what financial analysts consider fair.^{5,6} The consequences of these high charges are severe, with 3.6 million state residents receiving a final notice of gas shutoff and 5 million receiving a final notice of electricity shutoff in 2024.⁷

The City can't run on clean, affordable energy under the status quo.

New York can increase leverage over its climate and energy future with community energy supply.

New York City should seriously investigate a community choice program, starting by revisiting its 2022 study of three pathways for implementation and intervening in the New York State Department of Public Service program review.⁸ Nearly every U.S. city that has reached 100 percent renewable electricity did so through public power or a community choice program, not through electricity supplied by an investor-owned utility such as ConEd.⁹ Additionally, community choice programs have typically provided lower cost electricity to consumers than other supply options.

Community choice programs allow cities to select the electricity supply for residential and small business customers. By aggregating individual users' demand and contracting for electricity from companies other than major suppliers like ConEd, community choice programs are a powerful tool for increasing clean energy supply and for negotiating favorable prices.¹⁰ California has 25 community choice programs serving roughly 15 million customers.¹¹ Massachusetts, Illinois, and New Jersey also have meaningful programs serving millions of electric customers.¹²

Community choice programs in New York State are authorized and regulated by the New York State Department of Public Service, which has approved seven administrators to offer power to municipalities in the state that establish a program.¹³ Individual residents and businesses of a municipality that adopts a community choice program may opt out of receiving their power through the program.

Like programs in other states, New York's Westchester Power delivered a greater clean energy supply to over a dozen communities in Westchester County, and with more stable month-to-month prices than the incumbent utility.¹⁴ Programs in California (Marin Clean Energy, East Bay Community Energy) and Ohio (SOPEC in the city of Athens) have used aggregated revenue to fund local solar on public buildings, procure solar from local projects, and invest revenues into local economic development projects.¹⁵ Due to its large population, even a single borough of NYC would have more purchasing power and leverage than the entire Westchester Power program.

Evidence suggests that well-designed community choice programs can provide more affordable and stable electricity to consumers than default grid supply options. Crucial considerations include:

- **Addressing limitations of the existing community choice program.** Two-year contract cycles caused Westchester Power to sign overly expensive supply contracts for its 2023–24 program years, due

to supply price spikes caused by the Ukraine invasion by Russia.¹⁶ New York City will need to work with state regulators to improve program design to avoid similar problems of timing and short-term contracting. (Note: California's community choice program allows for longer-term supply contracts.¹⁷)

- **Buying local, buying renewable.** New York City should leverage its purchasing power to secure electricity from local renewable sources that would insulate consumers from price volatility due to fossil fuel supply. Buying direct from renewable energy suppliers would avoid the issue that plagued Westchester Power, which had purchased unbundled renewable energy credits that didn't provide insulation from wholesale grid power prices. Purchasing from local sources will also have spillover community benefits, as shown with the Sunset Park Community Solar project.¹⁸
- **Purchase power through demand reductions.** Often the least expensive electricity supply is from reduced consumption. Work with the New York State Department of Public Service to ensure New York's community choice program can pursue solutions that reduce demand, from energy efficiency to battery storage.
- **Phased rollout.** With separate boroughs, New York has an opportunity to learn as it goes, phasing in adoption across the boroughs.

Pursuing community choice energy would be a multiyear effort that could begin immediately. It would be led by the Mayor's Office of Climate and Environmental Justice (MOCEJ), but would require interagency coordination. City Council would have to pass enabling legislation to formally adopt a program, potentially with support from the Law Department to draft the legislation. Success depends on the New York State Department of Public Service preserving the program. Likely first steps would include:

- The Mayor directs MOCEJ to initiate pursuit of a community choice energy program, with two key elements:
 - Coordinate intervention in the New York State Department of Public Service program review, indicating the City's interest in the continued availability of the program
 - Develop a refresh of the 2022 feasibility study, adapted to the new regulatory environment and to account for changes in clean energy deployment costs (estimated cost of \$300,000)
- MOCEJ provides a formal recommendation to the Mayor and City Council to proceed

Implementation of the program would likely involve several other City departments, including advice from the Department of Citywide Administrative Services, which handles procurement of energy for municipal properties, the Office of Management and Budget to approve startup funding (although funds come via supplier fees), and the Department of Consumer and Worker Protection, which would be responsible for aiding in compliance with state rules for community choice program disclosure and consumer protection.

Key measures of success for community choice implementation include:

- **Affordability:** Can the program deliver equivalent or lower energy costs, with better price stability. Do benefits disproportionately benefit low-income consumers?
- **Clean energy and self-reliance:** Can the program deliver a greater supply of renewable energy, procured in a way that multiplies the benefits (e.g. local economic development, closing NYC fossil fuel power plants)?
- **Popularity:** Do opt-out rates remain low?
- **Program execution:** Are opt-out rates (lower = better outreach), customer complaints to the Public Service Commission, and bill costs and renewable energy content shown in City regulatory compliance findings trending in the right direction?

Conclusion

Community choice energy is a proven approach to giving the city more control over its energy future, with an opportunity to address affordability, clean energy, and the multiplier benefits of seeking local resources to meet energy demands. With a concerted effort, the city could work with state regulators to address issues with past implementation and shape a local program that meets the city's climate and affordability needs. Under the status quo, New York City residents and small businesses are at the mercy of for-profit utility companies. With community choice, the city can give them a more local and accountable service.

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LOWERING COSTS OF HOMEOWNERS INSURANCE

PUBLIC HOMEOWNERS INSURANCE

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Homeowners and renters insurance in New York is too expensive.

Homeowners insurance premiums are rising due to climate change. But instead of mitigating that cost, the industry is passing it on to customers with even more margin than necessary. This form of climate profiteering contributes to the broader affordability crisis and discourages wealth-building through homeownership. In New York State alone, homeowners insurance premiums rose from \$5.7 billion per year in 2020 to \$7.9 billion in 2024, a five-year increase of 39 percent, which is over triple the speed of inflation during that same period.¹

The best way to determine whether insurance is over-priced is by looking at what is known as the insurer's loss ratio, which is the ratio between claims paid and premiums collected. A 60 percent loss ratio means, for example, that the insurer pays \$0.60 in claims for every dollar collected in premiums. A higher loss-ratio is good, as it reflects a cheaper premium relative to the risk covered.

The loss ratio in New York State for homeowners insurance, averaged over five years, is just 49.93 percent.² This means that only \$0.50 for every dollar paid by New Yorkers is paid out in claims, with insurers using the remaining \$0.50 as returns to investors and overhead. This loss ratio is the seventh-lowest in the nation (which also has too low an average—67.66 percent over five years).³

New York State spent \$7.9 billion in homeowners insurance premiums in 2024.⁴ The difference between a 50 percent loss ratio and a more reasonable 75 percent loss ratio represents about \$2 billion in excess costs to New Yorkers, and New York City homeowners bear a substantial percentage of that overall cost.

Expand NYC Public Insurance Program to homeowners and renters insurance.

New York City can expand the recently announced city insurance plan for owners of affordable apartment buildings into the homeowners and rental insurance market. This public insurer would be able to charge New Yorkers about 33 percent less than what the private market charges by earning lower profits and spending less in “selling expenses.” Eventually, the surplus fund could be used to finance public works and even generate returns for the city.

In April, New York City announced a new city-backed property and liability insurance program for landlords of affordable and rent-stabilized multi-family housing buildings.⁵ The insurance program will be managed by an interagency working group of housing agencies including the Economic Development Corporation, Housing Development Corporation, and Housing Preservation Development. The goal of that effort is to insure 20,000 units by next year and 100,000 units by 2030, with (1) cheaper rates that (2) nonetheless break-even so that the program is self-sustaining.

The City could use the same authorities, the same working group, and even the same program to expand into homeowners and renters insurance. The working group already has all of the relevant housing agencies, and the working group will learn operational lessons in launching an apartment insurance program that will be directly transferable to the homeowners insurance market. The City could even use the same actuarial firm.

In particular, a public option in homeowners insurance has tremendous promise due to the low loss ratios in the private market. Below is a chart itemizing how insurers spend New Yorkers’ \$7.9 billion in homeowners insurance premiums.⁶

Table 1. How Private Insurers Spend New Yorkers’ \$7.9 Billion in Homeowners Insurance Premiums

Expense	Percent of Premium	Dollar Estimate (millions)
Losses	50.0%	\$3,950
Loss Adjust Expense	6.4%	\$506
General Expense	4.3%	\$340
Selling Expense	20.8%	\$1,643
Taxes/Licensing	2.4%	\$190
Underwriting Profit	15.7%	\$1,240

By substantially reducing selling expenses (advertisements and agent commissions) and also by generating a thinner underwriting profit, the public insurer could offer premiums with a loss ratio of 75 percent or higher. Notably, the private industries in 12 states already have five-year average loss ratios above 75 percent.⁷

Every insurer builds a surplus fund (which it invests to generate additional funds) to be used to cover losses when the premiums from a year cannot cover the losses from that year. At first, the City should invest the surplus fund to balance risk and returns, being mindful not to overpay financial managers in the process. But once the surplus fund has reached a healthy and safe size, the City can begin to consider using portions of the fund to finance affordable housing, invest in climate risk mitigation, and other projects. It could even begin taking “dividends” to supplement the City’s budget.

This proposal is unique in certain respects, but not a radical shift from existing norms throughout the country. For example, states across the country run property insurance programs, often called FAIR plans, which operate as residual insurers of last resort that insure customers that the private insurance industry won’t cover. These entities are structured in various ways—often funded by the private industry and run by representatives from the industry, but not always. For example, Florida Citizens is a publicly run insurer, operated by the state. In fact, until the state sabotaged the plan by “depopulating” it in 2025, it was the largest homeowners insurer in the state, had a healthy surplus of \$4.8 billion, operated in the open market and not just as an insurer-of-last-resort, charged customers 20 percent less than the private market, and received high marks for customer satisfaction.⁸

There are three main lessons one can learn from comparing the FAIR plan in Florida (before it was depopulated) to other plans like that in California, which have fared less well. First, it is important to make sure the public insurer does not operate on a “cash-in, cash-out” basis. In other words, the insurer should keep the returns it generates in good years in its own surplus fund, unlike California’s FAIR plan, which often distributes the plan’s excess funds in good years back to the private insurers who run the plan.⁹ Second, it is important to make sure that insurance industry representatives, who have conflicting incentives, are not in charge of running the program. This can be accomplished by either making the plan a nonprofit with independent leadership or by making it a municipal entity. Third, the plan should cover the same risks that the private market does (or more), and should not be limited to only high-risk customers that the private market will not insure. Doing so can lead to something called “cream skimming,” where private insurers off-load high-risk customers to the public plan, but keep all the low-risk customers, which would result in even lower loss ratios for the privates and higher loss ratios for the public plan.

Lastly, one risk of establishing a cheaper public insurance plan by reducing selling expenses is that the public will have low awareness, and therefore, low uptake in the plan. Especially because the public insurer will not pay insurance agent commissions to obtain referrals, the City should be sure to prioritize publicity and public awareness campaigns. The plan may need to balance the interest in keeping costs low with the benefits of creating early brand awareness in the first years of operation.

Conclusion

New York City is already starting a public option insurer for affordable housing landlords. Given how much homeowners and renters insurance is overpriced in the state, the City should consider expanding that plan to compete openly in the homeowners and renters insurance markets. Doing so could save its residents hundreds of millions of dollars and generate revenue for the city.

Endnotes

1 Nat'l Assoc. Ins. Commsr, *2024 Market Share Reports for Property/Casualty Groups and Companies by State and Countrywide* 162 (2025), <https://content.naic.org/sites/default/files/publication-msr-pb-property-casualty.pdf> (hereinafter "NAIC 2024 Market Share Report"); Nat'l Assoc. Ins. Commsr, *2020 Market Share Reports for Property/Casualty Groups and Companies by State and Countrywide* 177 (2021), <https://naic.soutronglobal.net/Portal/Public/en-GB/DownloadImageFile.ashx?objectId=8758&ownerType=0&ownerId=4923>.

2 NAIC 2024 Market Share Report, at 4 (showing 42.56 percent loss ratio in 2024). The 5-year average was calculated by reviewing the last 5 years' versions of this NAIC market share report.

3 *Id.* at 4.

4 *Id.* at 162.

5 Press Release, Office of the Mayor, New York City, *Mamdani Administration Unveils First-of-its-Kind Insurance Program to Reduce Operating Cost of Housing Across New York City* (Apr. 16, 2026), <https://www.nyc.gov/mayors-office/news/2026/04/mamdani-administration-unveils-first-of-its-kind-insurance-progr>.

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8 See also Brian Shearer, *Regulating Insurance as a Public Utility*, Vanderbilt Policy Accelerator, forthcoming *Columbia Business Law Review*, at 37 (Apr 2026), <https://cdn.vanderbilt.edu/vu-URL/wp-content/uploads/sites/412/2026/04/28170109/Regulating-Insurance-as-a-Public-Utility.pdf>

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AFFORDABLE NYC NOW: HOLDING CORPORATIONS ACCOUNTABLE

**PROTECT
BORROWERS** 

**THE CENTURY
FOUNDATION** 

Introduction

The Mamdani Administration’s commitment to economic justice must include a strategy for protecting New Yorkers from abusive, big-business interests and for leveling the playing field for honest brokers. When corporations engage in wage theft, fraud, or anti-competitive practices, working New Yorkers pay the price. A city serious about affordability must be equally serious about accountability.

This section identifies steps the Mayor can take to hold corporations responsible for practices that drive up costs and undermine economic justice for all New Yorkers. Using existing regulatory authority, enforcement powers, and the city’s considerable leverage as a purchaser, these proposals put the interests of consumers, workers, and small businesses ahead of corporate profit margins. These proposals identify issues with debt collection, access to justice, predatory education providers, and more. The Administration’s economic development and price-lowering policies cannot have their intended impacts if bad actors are simultaneously pulling money out of New Yorkers’ pockets.

Making New York City affordable means creating a marketplace where competition is fair, wages are honored, and no corporation can treat residents as a captive source of revenue.

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HOLDING CORPORATIONS ACCOUNTABLE FOR WORKER ABUSES

WORKPLACE JUSTICE FOR ALL: EMPOWERING
COMMUNITIES UNDER ATTACK BY ENFORCING THE
NATION'S STRONGEST WORKER PROTECTION LAWS

Diego Fernández-Pagés, Workplace Justice Attorney

Elizabeth Jordan, Co-Legal Director

Make the Road New York

NYC workers need the City to have their back when their workplace rights are under attack.

New York City has among the strongest human rights laws in the country, protecting more people against workplace and housing discrimination than any other municipality or state.¹ It also has extraordinary protections for low-wage workers, including in the fast food, retail, construction, and delivery sectors.² These laws help workers address the systemic discrimination and abusive working conditions that keep them poor and marginalized. But the promise of these protections remains unfulfilled. Worker protection agencies like the New York City Department of Consumer and Worker Protection and the City Commission on Human Rights, charged with enforcing the law, rarely have the means to do so, and thousands of cases remain tied up in backlogs that last months or years.³ They are restricted both by their budgets to hire enforcement staff, monthslong delays and red tape in obtaining Office of Management and Budget approval to onboard new staff, and enforcement hurdles at the Office of Administrative Trials and Hearings, the City's administrative tribunal, that favor lawbreaking employers and make it difficult to address the problems that plague low-income communities. And as the federal government abandons workplace protections for immigrants, LGBTQ+ people, and people of color, working New Yorkers have nowhere else to turn for support when abusive employers put their livelihoods at risk. Workers in New York City are caught in a trap: even if they know to seek recourse in their City's strong protections, they may never see their claims resolved and stability restored. Instead, workers are left to fight abusive employers on their own, all while trying to make ends meet for their families.

Ensure better jobs in New York City by empowering workers through executive interventions in the City's economic justice agencies.

Two city agencies lead the charge on empowering New York City's workers and enforcing its expansive protections: the Commission for Human Rights (CHR) and the Department of Consumer and Worker Protection (DCWP). Both have committed staff who often deliver exceptional outcomes for the New Yorkers who go to them for help. But both suffer from long backlogs, narrow workscopes, and limited resources to address an increasing volume of cases. Two proposals—both requiring executive mayoral support—together would significantly improve these agencies' ability to respond and act proactively in empowering the City's working class.

Mayoral intervention I: Dedicate staff to analyze newly accessible EEO-1 data to better address systemic discrimination.

City economic justice agencies like CHR and DCWP dedicate the majority of their staff to addressing complaints by individual employees or violations by individual worksites. Agencies spend limited time on tracking broader trends to inform proactive investigations.⁴ In 2025, however, the New York City Council passed two laws that require city agencies to track pay equity across employers with more than 200 employees.⁵ In part, these responded to the evisceration of large-scale pay equity tracking projects across several federal agencies by the Trump administration.⁶ They also responded to widespread inequities across New York City workplaces, and were designed to give “policymakers the tools to close wage gaps at their root.”⁷ The laws give the mayor authority to designate relevant agencies to publish a report based on data reported, across categories previously tracked by the federal government.⁸

The mayor should designate specific teams within DCWP and CCHR to target the root of the wage gap problem. After publishing these reports, both agencies can collaborate to intervene quickly with major pay equity violations, setting enforcement priorities that may raise standards across workplaces in New York City.⁹ Collaboration between the two agencies may also eliminate the need to hire data specialists at CHR, as DCWP already has a robust research team.

Mayoral intervention II: Promote protections for workers abandoned by the federal government.

Federal workplace protection agencies have abandoned immigrant workers, workers of color, and LGBTQ+ workers. The Equal Employment Opportunity Commission has issued interpretations of Title VII that neglect non-American, non-white, and non-male employees.¹⁰ The New York City Human Rights Law, however, explicitly covers even more categories than Title VII, and remains the most powerful refuge for members of communities that have been increasingly re-marginalized by the federal government.¹¹

Both DCWP and CCHR already have broad authority to lead public education campaigns.¹² Both agencies can use that authority to counter the federal narrative that LGBTQ+ workers, immigrant workers, and workers of color are not worthy to participate equally in the workplace. Citywide campaigns in multiple languages, targeting particular neighborhoods where data shows disparities are largest, that inform the public about who is covered under the Human Rights Law may lead to greater engagement from those communities and a strong sense of belonging in their city.

Conclusion

New York City's working class is being systematically excluded from long-standing federal worker protections. The City cannot capitulate to this new status-quo. Instead, it can take proactive action to improve outcomes for workers suffering from workplace retaliation, address systemic discrimination, and remind vulnerable communities that their City is on their side.

Endnotes

- 1 See New York City Human Rights Law, N.Y.C. Admin. Code § 8-101 *et seq.*
- 2 N.Y.C. Admin. Code § 20-927 *et seq.*; § 20-1201 *et seq.*; § 20-1501 *et seq.*
- 3 Press Release, *Housing Discrimination Complaints Languish at NYC Commission on Human Rights*, State Comptroller Tom DiNapoli (Dec. 5, 2025), <https://www.osc.ny.gov/press/releases/2025/12/dinapoli-housing-discrimination-complaints-languish-nyc-commission-human-rights>; Amir Khafagy, *Mamdani's Proposed Budget Threatens Cuts to Labor and Human Rights Agencies, Documented* (Mar. 12, 2026), <https://documentedny.com/2026/03/12/nyc-budget-guts-worker-protections/>.
- 4 CCHR has not published a report on systemic discrimination in the workplace since 2019; DCWP does publish reports on compliance trends at least annually, with focuses on specific industries.
- 5 N.Y.C. Local Law 173 (2025), N.Y.C. Local Law 174 (2025).
- 6 Joseph G. Schmitt, *Trump Administration Attacks Pay Equity Practices*, Nilan Johnson Lewis (Mar. 12, 2025), <https://nilanjohnson.com/trump-administration-attacks-pay-equity-practices/>.
- 7 Council Member Tiffany Caban, Stated Meeting, New York City Council Hearing Transcript at 28 (Oct. 9, 2025).
- 8 N.Y.C. Admin. Code § 12-208.2(a).
- 9 Specifically, the Commission on Human Rights can bring pay equity enforcement claims under § 8-107(1)(a)(3) of the New York City Administrative Code.
- 10 See, e.g., *Discrimination Against American Workers Is Against The Law* U.S. Equal Employment Opportunity Commission, <https://www.eeoc.gov/discrimination-against-american-workers-against-law>; Adam Rocco, Janay Stevens, Michael Griffaton, *EEOC Chair Encourages White Men to File Workplace Discrimination Charges*, Vorys (Feb. 2, 2026), <https://www.vorys.com/publication-eeoc-chair-encourages-white-men-to-file-workplace-discrimination-charges>.

11 See N.Y.C. Admin. Code § 8-107.

12 For CCHR: see, e.g., N.Y.C. Charter § 905(a). For DCWP: see, e.g., N.Y.C. Charter § 2203(e)(v).

HOLDING CORPORATIONS ACCOUNTABLE THROUGH ADMINISTRATIVE OVERSIGHT

**USING THE CITY'S LICENSING AND PERMITTING
AUTHORITY TO IMPROVE LABOR COMPLIANCE AND
WORKER PROTECTION**

Terri Gerstein

Director

NYU Wagner Labor Initiative

Wage theft is widespread in New York City, including in industries that need City licenses to operate, and consequences are generally too uncertain and too modest to deter and address violations.

Too many New York City workers experience wage theft: they're paid subminimum wages, not paid overtime, not paid for all hours worked, their tips are stolen, or they're otherwise denied the full wages owed to them. While City-specific statistics are not readily available, ProPublica reported more than 13,000 cases of reported wage theft in New York State from 2017 to 2021, involving over \$203 million stolen from around 127,000 workers¹—statistics that are most likely a significant undercount, given obstacles workers face in reporting wage theft, including fear of retaliation. Additional reporting found that the New York State Department of Labor (NYS DOL) had not recovered 63 percent of the wages it found were owed to workers, a total of \$79 million.² NYS DOL is not unique in this respect; labor enforcers nationwide face challenges in collecting wages owed.³

Economists have observed that unethical employers “will not comply with the law if the expected penalties are small either because it is easy to escape detection or because assessed penalties are small.”⁴ Currently, both situations are true: it is easy for New York City employers to escape detection because of inadequate federal and state staffing for wage theft enforcement. And the “assessed penalties”—better understood as the consequences for violations if detected—are often modest indeed, considering that nearly two-thirds of employers do not pay what the New York State Labor Department has found they owe.

Wage theft deprives hardworking New Yorkers of funds needed to pay for everyday expenses: rent, food, health care, clothing, and the like. When workers are systematically, week after week, denied wages they have rightfully earned, the cumulative violations make a high-cost city even more unaffordable. More importantly, it is unfair and unacceptable, a violation of law and of the social contract, for low-road employers not to pay workers all of the wages they earned and that they deserve.

NYC can fight wage theft among City-issued license and permit holders by creating compliance pre-requisites for license/permit issuance and renewal, and by creating consequences for license or permit holders that have unresolved final determinations of violations.

New York City should create wage compliance pre-requisites and consequences for obtaining or renewing a license or permit.

The City can start with a pilot program focusing on restaurants.

The restaurant industry is an ideal place to begin a pilot program. ProPublica reporting found that restaurants had the highest violation rate among industries, “accounting for more than 25 percent of all reported wage theft.”⁵ Restaurants in New York City are required to have a Food Service Establishment Permit from the Department of Health and Mental Hygiene (DOHMH).⁶ Perhaps most convincing, there is precedent for this proposal: two California Counties, San Diego and Santa Clara, both successfully operate programs similar to this proposal.

The City can learn from existing models elsewhere.

San Diego County’s Office of Labor Standards and Enforcement operates a “Good Faith Restaurant Program.”⁷ From the website: the program “helps workers in the retail food industry collect outstanding unpaid wage theft judgments stemming from an Order, Decision, or Award...issued by the California Labor Commissioner....[The Program] was developed to encourage businesses to satisfy their outstanding judgments for owed workers’ wages in order to comply with the requirements of their San Diego County food permit.” When the San Diego County Office of Labor Standards and Enforcement learns of an unpaid state wage theft judgment, the office reaches out to the permit holder via a series of letters and direct contact, informing the business that failure to comply with the judgment may result in suspension of the employer’s food facility permit. After four attempts to contact the permit holder and seventy-five days, the permit will be indefinitely suspended and ultimately potentially revoked.

Santa Clara County’s Office of Labor Standards Enforcement operates a similar Food Permit Enforcement Program.⁸ While San Diego County initially rolled out the program with letters to every permit-holder with

outstanding wage violations in the county, Santa Clara County began with a narrower pilot focused on one specific zip code, with the potential consequence of a temporary (five day) permit suspension. Santa Clara County has since expanded the program county-wide,⁹ and has a shorter time frame than San Diego County from the initial contact to potential suspension (forty-five days).¹⁰

Both programs have common elements instructive for New York City. First, they do not require health inspectors to assess wage violations, a task that would be both burdensome and outside of such inspectors' expertise. Rather, the programs are entirely administered by the county labor agencies, until the final point at which the permit is to be suspended. Second, these programs do not create permitting consequences based on wage theft allegations, which might raise due process concerns. Rather, these programs focus specifically on unsatisfied *final orders* by the state labor commissioner's office.

Current law provides a sufficient legal basis.

The programs in San Diego and Santa Clara Counties are based not specifically on state or local labor laws, but rather, on a provision of the California health and safety code requiring that any "operation of a food facility shall be approved by the enforcement agency and shall be in accordance with all applicable local, state, and federal statutes, regulations, and ordinances."¹¹ New York City's Health Code has similar language: "An operator of a food service establishment or non-retail food processing establishment shall construct, equip, furnish, maintain and operate such establishment in compliance with this Article and all other applicable federal, state and city laws, rules and regulations."¹² In addition, Article 5 of New York City's Health Code states that a permit may be ordered suspended or revoked not only for willful or continued code violations, but also "for such other reason as the Commissioner or Board determines is sufficient grounds for suspension or revocation,"¹³ language which could support suspension on the grounds of continued nonpayment of wages determined to be owing in a final order by NYS DOL.

Notably, neither San Diego nor Santa Clara Counties have faced lawsuits challenging their programs or significant employer opposition. Both county agencies conducted outreach to the restaurant employer community before implementation. Further, the restaurants targeted—those with final wage theft orders that they had ignored, and not even tried to negotiate a payment plan—is a particularly unsympathetic subset of the industry.

Implementation in New York City

For applicants to obtain or renew restaurant permits, the City should (1) require sworn disclosure of any past final violation orders by courts, the state labor department, or the Department of Consumer and Worker

Protection (DCWP); and (2) conduct its own rapid research using readily available public sources, primary among them, the New York City Comptroller's Employer Violations Dashboard¹⁴ and the NYS DOL Wage Theft Investigation Dashboard.¹⁵ If applicants have such outstanding unsatisfied final orders, the City should require payment of wages owed as a condition of granting or renewing the license or permit. The City could determine guidelines to allow for short-term payment plans where appropriate.

Importantly, the City should include an additional element: DCWP should develop and require measures to ensure future compliance by any restaurant with past unsatisfied violations. These could include requiring training for all managers and workers on workplace laws, submission of sworn payroll record samplings by the employer, visible postings with QR codes for workers to report violations, or other measures.

For existing restaurants, the Mayor should require DCWP and DOHMH to collaborate in developing a program similar to those in San Diego and Santa Clara Counties. DCWP would develop and regularly update a list of all permit holders with unsatisfied final orders from its own investigations and from those of the state labor department. DCWP would do the work of reaching out to restaurants and seeking payment, alerting restaurants of potential suspension by its sister agency DOHMH if wages are not paid. DOHMH would have little to no involvement in the vast majority of cases. To date, no restaurant permits have been suspended in San Diego or Santa Clara Counties pursuant to these programs; the threat alone has been enough to motivate payment of monies owed. NYC Department of Small Business Services could also assist in spreading the word to restaurants throughout the City.

The budgetary impact would largely involve DCWP staff time, most likely less than one full-time employee. Much of the work would involve initial start-up efforts: developing the program, building cooperative relationships between the relevant agencies (DCWP, DOHMH, NYS DOL), developing the original list of all permit-holders with outstanding unsatisfied final orders, and developing new questions and protocols for permit applications, among other things. After this initial investment, ongoing case handling would be more limited, and if restaurants learn that unaddressed wage theft can lead to permit suspension, ideally, the case flow will be lessened further because violations will be deterred.

Limitations and Potential

One significant limitation of this proposal is the time lag between workers experiencing wage theft and the potential suspension of the license. Limited enforcement resources mean that it can take considerable time for the state labor department to reach a final order, which is the necessary precondition for triggering potential NYC permitting consequences. To address this, DCWP could seek to coordinate with the NYS DOL so that

cases are transmitted to DCWP immediately when orders are final. In addition, if DCWP started with a pilot program focused on a smaller sample (such as the ten New York City zip codes with the highest rates of past violations among restaurants),¹⁶ perhaps NYSDOL could fast-track investigations in those locations, augmenting the program's impact.

However, the proposal also has additional potential. It could be expanded, so that all businesses that need City-issued licenses and permits understand that they have to comply with basic wage payment laws in order to do business in New York City. In other industries, of course, the relevant permit or license issuer might be another agency, not DOHMH.

Related Models Leveraging Licensing and Permitting

In addition to this model, several other existing programs demonstrate the potential of incorporating workplace concerns in local licensing and permitting programs, and could be considered for, or inform program design in, New York City.

- A Boston, Massachusetts, ordinance takes a preventive approach: it creates various workplace safety preconditions for construction contractors seeking building permits for demolition projects and for construction projects above a certain size. Among other things, it requires a site-specific safety plan affidavit, site-specific worker safety trainings, and a designated site safety coordinator. The Inspectional Services Department, which already routinely visits building sites, has enforcement authority, and the assigned building inspector can issue violations, stop work orders, and revoke permits. This approach uses existing inspectors, who are already going to building sites, to help prevent safety and health violations in one of the most dangerous industries.¹⁷
- King County, Washington, home to Seattle, enacted an ordinance requiring increased food inspections for food establishments that have been found to have violated labor laws and have failed to pay or remedy the labor violation. In addition, when state or local labor agencies have found violations, public health inspectors will post a placard next to the public food rating sign noting that the establishment is undergoing increased health inspection because of a labor violation. (The placard will be removed if labor violations are remedied.) This approach also engages consumers, alerting them to labor violations in the restaurants they patronize.¹⁸
- Austin, Texas, uses a carrot, not a stick, in its Better Builder program, which creates incentives for higher labor standards. Specifically, construction contractors willing to commit to certain protections

for workers on commercial projects may receive expedited handling of their permit applications and processing. The program is a collaboration with the nonprofit Workers Defense Project.¹⁹

Measuring Impact

The most important impact would, ideally, be a decrease in wage theft in the restaurant industry in New York City. Returning to our economists' equation: unethical employers underpay workers because they believe they're unlikely to be caught and because the penalties are too small. This proposal will significantly increase the consequences of unremedied violations. Suspension of a restaurant permit, even for only five days, has a significant financial and reputational impact, far beyond what typically happens for wage theft violations. However, measuring the decrease in wage theft may be difficult, since many obstacles prevent workers from reporting wage theft, particularly in the current moment of heightened immigration enforcement. Reduced reports of wage theft in the restaurant industry may—but do not necessarily—indicate reduced violations. This is why this program should incorporate specific measures focused on future compliance by prior violators.

A more readily measurable impact of this program would include wages recovered for workers who have been underpaid and a reduction in the number of New York City restaurants that, when caught committing wage theft, thumb their nose at their workers and at rule of law.

Conclusion

Businesses that receive licenses and permits to operate in New York City should be expected to comply with the most basic workplace laws related to payment of wages and other core protections. At a bare minimum, businesses should be required, as a condition for receiving or keeping a license or permit, to pay wages determined to be owed in a final wage theft or similar order by New York City or State. Successful programs in other localities provide proof of concept and potential models for this proposal. Participation in the economic life of the City should require legal compliance in relation to paying workers' wages, as well as financial responsibility and respect for rule of law in relation to complying with final legal orders. A program incorporating labor compliance considerations into the City's licensing and permitting processes would help fight wage theft and create fairer conditions for workers and for law-abiding businesses, and would create an overall environment of greater legal compliance. Not least of all, it would help return money to the pockets of hard-working New Yorkers.

Good Faith Restaurant Owners Program Infographic



STEP
01
DAY 1



NOTICE OF EXISTING JUDGMENT & NOTICE TO COMPLY

When OLSE learns of an unpaid wage theft judgment stemming from the Labor Commissioner's Office* against a permitted food facility, OLSE will send a thirty-day Notice of Existing Judgment and Notice to Comply via certified mail to the permit holder.

This notice will identify the unpaid Wage Theft Judgment, explain the failure to comply with the judgment may result in suspension of the employer's food facility permit and demand that the permit holder respond within 30 days to (1) prove that the permit holder is in full compliance with the judgment, (2) prove that the judgment is not final or does not apply to the permit holder, or (3) request assistance or information on a payment plan time to come into compliance with the judgment.

STEP
02
DAY 30



SECOND NOTICE OF EXISTING JUDGMENT & NOTICE TO COMPLY

If the permit holder does not substantively respond to the initial notice within 30 days, OLSE will send the permit holder a second Notice of Existing Judgment and Notice to Comply requiring a response within 15 days.

STEP
03
DAY 45



DIRECT CONTACT WITH PERMIT HOLDER

If OLSE has not received a response from the permit holder after the first two notices are sent, OLSE will follow up by directly contacting the permit holder to establish a contact and answer any questions the permit holder may have.

STEP
04
DAY 60



NOTICE OF VIOLATION

If the permit holder still has not addressed the unpaid wage judgment, then OLSE will send the permit holder a Notice of Violation. The Notice of Violation will inform the permit holder that an informal Administrative Hearing will be scheduled, within 15 days of the Notice of Violation issuance, to discuss the continued non-compliance with the outstanding wage theft judgment and establish a timeline for the facility to comply. If the facility fails to comply with the direction and timeline established at the informal Administrative Hearing, then a permit suspension hearing will be scheduled.

STEP
05
DAY 75



SUSPENSION OF FOOD PERMIT

If the permit holder has not addressed the unpaid wage judgment, a suspension hearing will be held within 15 days after the informal administrative hearing. Pending determination of the hearing officer, DEHQ will suspend the permit holder's Food Facility Permit on the date specified in the Hearing Decision Letter. A permit holder can halt enforcement at any time by paying the existing judgment in full or entering into a payment plan that ensures full payment of the judgment by a specific date agreed upon by all parties. If the facility fails to comply with the direction and timeline established in the Suspension Hearing, then a permit revocation hearing will be scheduled.

*Cal. Lab. Code § 98.2 & Cal. Health & Saf. Code § 113715

Endnotes

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2 Marcus Baram, *New York Workers Are Waiting on \$79 Million in Back Wages*, ProPublica and Documented (Aug. 21, 2023), <https://www.propublica.org/article/new-york-workers-are-waiting-on-79-million-in-back-wages>.

3 See, e.g., Jeanne Kuang and Alejandro Lazo, *Wage theft whack-a-mole: California workers win judgments against bosses but still don't get paid*, CalMatters (Sept. 15, 2022, updated May 2, 2023), <https://calmatters.org/california-divide/2022/09/california-wage-theft-cases/>; Elizabeth Castillo, *Oregon fails to collect unpaid wages*, OPB (Dec. 12, 2023), <https://www.opb.org/article/2023/12/12/unpaid-wages-collect-oregon/>; Juliana Feliciano Reyes, *Some Workers Wait Years to Resolve Wage Theft Cases*, Governing (Feb. 8, 2023), <https://www.governing.com/work/some-workers-wait-years-to-resolve-wage-theft-cases>.

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11 Cal. Health and Safety Code § 113715.

12 New York City Health Code § 81.05 (b).

13 New York City Health Code § 5.17.

14 *Employer Violations Dashboard*, New York City Comptroller, <https://comptroller.nyc.gov/services/for-the-public/employer-violations-dashboard/violations/wage-theft/> (last visited May 7, 2026).

15 *Wage Theft Investigation Dashboard*, NYS Department of Labor, <https://dol.ny.gov/wage-theft-dashboard> (last visited May 7, 2026).

16 If DCWP were to start a pilot with a subset of zip codes, instead of City-wide, it would be advisable to have an objective basis for choosing the zip codes selected, to avoid allegations of proceeding in an arbitrary or unfair manner.

17 Boston, Massachusetts, Municipal Code § 16-65.

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HOLDING CORPORATIONS ACCOUNTABLE BY PREVENTING MEDICAL DEBT

**LEVERAGING COMMUNITY BASED ORGANIZATIONS
TO PREVENT AND ADDRESS MEDICAL DEBT**

Mia Wagner

Director of Health Policy

Community Service Society of New York

Medical Debt in New York City

Over 13 percent of New York City residents are estimated to have medical debt of \$500 or more. Medical debt in New York City is inequitably distributed: New Yorkers who are low-income and people of color have a higher prevalence of medical debt compared to their White and higher-income counterparts. Medical debt is over twice as common among uninsured New Yorkers (31 percent).¹

Currently, 6 percent of New York City residents are uninsured. However, federal cuts to health insurance under H.R. 1 are expected to increase the number of uninsured New York City residents by nearly 1 million. The increase in uninsurance under H.R. 1 will occur in many ways. Some people will lose coverage or have a gap in coverage due to new bureaucratic hurdles to maintaining insurance eligibility. Others, such as many groups of legal immigrants, will simply be rendered ineligible for public coverage. As a result, even more New Yorkers will be exposed to the misery of medical debt.

Fortunately, New York State has enacted a series of medical debt reforms to mitigate the worst impacts of medical debt and expand access to hospital financial assistance to prevent it in the first place.² But patients are unaware of these new rights. In addition, many New Yorkers, especially low-income and otherwise marginalized populations, will need support to stay covered, or for those who are now becoming ineligible, finding low-cost or free care.

Investing in Community Based Organizations to Prevent and Address Medical Debt

Consumer Assistance programs have a clear history of helping New Yorkers navigate changes in the health insurance landscape and providing a return on investment. The City should increase funding for community-based organizations to provide consumer assistance to: (1) prevent coverage losses, (2) resolve managed care and enrollment problems, (3) support affordability and informed choice, and (4) reach communities at the highest risk of losing coverage.

New York City's Managed Care Consumer Assistance Program (MCCAP)

The Managed Care Consumer Assistance Program (MCCAP) helps New Yorkers navigate the complex health care system by providing individual assistance to New York City residents through a free live-answered helpline. Since 2020, MCCAP has served 23,000 clients, achieved a 90 percent success rate in cases handled, and saved NYC consumers \$1.1 million in health care-related costs. MCCAP has a network of 20 Community-Based Organizations to provide culturally and linguistically competent health advocacy services to residents in more than 15 languages and at 15 different locations across all five boroughs.³

MCCAP's role will be even more critical as New York City residents face major coverage disruptions due to changes under H.R.1, ensuring New Yorkers can understand these changes, protect their coverage, and maintain access to needed health care during this transition by:

- 1. Preventing Coverage Loss.** MCCAP can assist New Yorkers with new eligibility and renewal requirements; completing and submitting required documentation on time; resolving wrongful terminations or enrollment errors; and smoothly transitioning between Medicaid, the Essential Plan, and ACA coverage. For those who will no longer be eligible for coverage, they can help find low-cost or free care options (e.g., NYC Cares and community health centers).
- 2. Resolving Managed Care and Enrollment Problems.** MCCAP advocates can help New Yorkers avoid medical debt by assisting them with managed care plan denials, delays, and service disruptions; helping them access providers during plan transitions; and submitting appeals and grievances related to coverage or care. They can also help negotiate discounts and medical bill forgiveness when a plan does not pay the bill.

3. Supporting Affordability and Informed Choice. MCCAP advocates can assist New Yorkers in comparing plan options and costs under new ACA rules; understanding premiums, deductibles, and cost-sharing; identifying financial assistance and subsidies when available; making informed decisions that fit their health and financial needs; and resolving past due medical debt.

4. Reaching communities at the highest risk of losing coverage. MCCAP advocates and trusted community-based organizations can assist New Yorkers who are low-wage and hourly workers, people of color, immigrant New Yorkers, individuals with limited English proficiency, people with disabilities and chronic health conditions, and other hard-to-reach communities.⁴

Access Health NYC

Access Health NYC (AHNYC) is a City Council initiative supporting 37 community-based organizations across all five boroughs. These organizations provide culturally responsive, language-accessible health education, outreach, and navigation services to underserved New Yorkers, including immigrant, limited-English proficient, uninsured, LGBTQ+, and disabled communities.

As more families experience coverage disruptions due to H.R.1 policies and uncertainty surrounding other federal health care and immigration policies, AHNYC plays a critical role in reaching hard-to-reach communities with trusted information and assistance. Through outreach and education, AHNYC helps residents stay informed about available programs and services that can help them maintain health coverage, access care early, and navigate increasingly complex health care systems.

How New York City Can Leverage State Matching Funds to Invest in MCCAP and Access Health NYC

Following H.R. 1, New York City should expand its limited investment in MCCAP and AHNYC. By leveraging state Article 6 matching funds, the City can increase its impact by 25 percent. Article 6 of the NYS Public Health Law provides reimbursement for expenses incurred by local health departments for core public health areas as defined in law. In the City, Article 6 funding provides support for the New York City Department of Health and Mental Hygiene (NYCDOHMH) to contract with local community-based organizations with the expertise and capacity to provide preventive, culturally competent, and linguistically competent services. Community-based organizations in the MCCAP and AHNYC initiatives, both funded by the City Council through discretionary funding and administered by NYCDOHMH, are eligible for the Article 6 matching funds.

Enhancing MCCAP and AHNYC requires City budgetary action. The City already receives Article 6 matching funds for these programs and would not need to do anything differently to continue to access matching funds. The more the Council invests in these initiatives, the larger the state match will be. This investment will ensure that those community-based organizations are supported to reach the hardest-to-reach and marginalized patients in the communities where they live and work. This ensures that funding is directly targeted to communities, not outside interests or well-heeled providers.

The effectiveness of funding outreach and consumer assistance programs on reducing coverage losses through a changing public policy landscape was demonstrated two years ago when Medicaid eligibility rules radically changed at the end of the COVID-19 emergency. A study of privately funded investment in community-based organization outreach found that \$2.5 million enabled the enrollment of over 85,000 New Yorkers in health insurance during the unwinding of the public health emergency, yielding a 3,850 percent return on investment.⁵ This successful experience of funding grassroots community-based organizations provides the City an effective blueprint for mitigating the worst impacts of H.R. 1 to ensure more people will not be exposed to the ravages of medical debt.

Conclusion

The Managed Care Consumer Assistance Program, Access Health NYC, and their partner community-based organizations have a strong infrastructure that can be leveraged to mitigate H.R. 1 and prevent medical debt by: (1) preventing coverage losses, (2) resolving managed care and insurance enrollment problems, (3) supporting affordability and informed choice, and (4) reaching communities at the highest risk of losing coverage.

Endnotes

- 1 Fordjuoh J., Schwartz R., Maru D., Sood R., Jackson J., and Wiewel EW. *Inequities in Medical Debt and Its Contributing Health Care Services in New York City*. JAMA Network Open, Vol. 9, No. 3 (Mar. 4, 2026), <https://jamanetwork.com/journals/jamanetworkopen/fullarticle/2845877>.
- 2 Mia Wagner and Elisabeth Benjamin, *The Campaign to End Medical Debt: How New York Dramatically Reduced Patients' Medical Debt Burden*, Community Service Society of New York (Oct. 2025), https://smhttp-ssl-58547.nexcesscdn.net/nycss/images/uploads/pubs/100825_EMD_Campaign_Report_V81.pdf.
- 3 Report, *Managed Care Consumer Assistance Program (MCCAP) FY 2025*, Community Service Society of New York (Jan. 2026), https://smhttp-ssl-58547.nexcesscdn.net/nycss/images/uploads/pubs/011526_MCCAP_Annual_Report_V3.pdf.
- 4 *Id.*
- 5 Matt Flynn, Sara Kunkel, Mia Wagner, and Elisabeth Benjamin, *We'll Keep You Covered: How Funding Community-Based Outreach Reduces Coverage Losses in the Face of Federal Policy Changes*, Community Service Society of New York (July 2025), https://smhttp-ssl-58547.nexcesscdn.net/nycss/images/uploads/pubs/072325_KNYC_Brief_V7.pdf.

HOLDING CORPORATIONS ACCOUNTABLE FOR FRAUDULENT LAWSUIT NOTICE

**THE CITY AT YOUR SERVICE: EMPOWERING
TENANTS AND CONSUMERS TO CHALLENGE
IMPROPER SERVICE**

Andrea Ashburn

Special Litigation Unit Staff Attorney
New York Legal Assistance Group

Landlords and debt collectors sue New Yorkers without providing lawful notice.

New York law, and constitutional principles of due process, require that when an individual is sued—for example, to try to evict them from their homes, or to collect a debt they purportedly owe—they must be provided meaningful notice of the lawsuit, so they can respond to defend themselves.¹ Process servers are the individuals tasked with providing legally sufficient notice, or “service,” and must sign affidavits of service attesting to, *inter alia*, the date, time, and description of service.² Unfortunately, many process servers do not fulfill their responsibilities to provide legally sufficient service of process. The practice of failing to properly serve defendants, despite swearing otherwise in an affidavit, is called “sewer service,” derived from the idea that process servers are instead tossing the legal papers into the sewer.³

Without notice of the lawsuits filed against them, defendants cannot appear in court to defend themselves, often resulting in a default in the case and a judgment entered against them. Sewer service has devastating consequences for defendants, who are disproportionately of low income and from communities of color.⁴ Sewer service, which is “[o]ften associated with consumer debt collection and landlord-tenant litigation” has its greatest impact on those who are low income or experiencing poverty, and thus “least capable of obtaining relief from the consequences of an improperly imposed default judgment.”⁵ In housing court, those default judgments can result in evictions; in debt collection cases, default judgments can lead to individuals’ wages being garnished or their bank accounts being frozen.⁶

Sewer service has long been rampant in New York. High rates of sewer service caused advocates to push for stronger process server laws in the 2000s and 2010s. In 2010, the New York City Bar Association released a report highlighting the issue.⁷ The report noted recent progress and made several additional proposed changes to process server laws, several of which still have not yet been adopted, more than fifteen years later. Although local advocacy efforts successfully made New York City a pioneer in process server reform at the time, sewer service still runs rampant in New York Civil Courts today: there were over 79,000 default judgments across NYC Civil Courts in 2019,⁸ and tenants in housing landlord-tenant court non-payment cases failed to file an answer in their cases around 50 percent of the time in 2022.⁹ Given the severe consequences of default, these rates of failure to answer cannot be attributed to mere inaction by defendants, and more likely suggests that New Yorkers are still not being properly served, and so are missing out on their day in court.

NYC can facilitate tenant and consumer challenges to improper service.

The persistence of sewer service reflects, in part, a breakdown in information access and information-sharing. Tenants and consumers seeking to challenge improper service often lack timely access to critical information about the process servers who purportedly served them. At the same time, courts evaluating motions to vacate default judgments or dismiss cases for improper service frequently lack visibility into broader patterns of sewer service and misconduct by individual process servers.

New York City can address these gaps by improving access to existing information and by facilitating more effective information-sharing between City agencies, defendants, advocates, and the courts. Specifically, the City should: (1) make information about process servers more accessible to the public, including disciplinary history and affidavits of service; and (2) issue a policy statement to New York Courts recognizing systemic sewer service in Civil Court.

NYC can equip tenants and consumers with the information required to successfully challenge improper service.

When tenants and consumers eventually learn of a lawsuit, through means other than lawful service, they may seek to challenge service as improper in order to vacate a judgment against them, dismiss the case, or, at least, secure their right to appear in court and defend themselves. Although a sworn statement by defendants should be sufficient to rebut the presumption of service created by a filed—though false—affidavit of service, in practice, courts frequently choose not to believe defendants' sworn statements denying receipt of service.¹⁰ Accordingly, defendants may need to present additional corroborating evidence, such as records demonstrating that the process server has a history of misconduct or has filed affidavits of service that are demonstrably false in similar cases. However, because this information is not easily accessible, defendants must attempt to obtain it through burdensome and slow avenues, such as through Freedom of Information Law (FOIL) requests or through the New York State Courts Electronic Filing system (NYSCEF). A defendant making a FOIL request may need to wait weeks or more to receive the requested information, often too late to include in a brief challenging service. Moreover, due to NYSCEF search limitations, defendants or their advocates must perform dozens or hundreds of individual case reviews to find relevant information. As a result, meritorious challenges are weakened or never brought at all.

The City—principally through the Department of Consumer and Worker Protection—should take immediate steps to make existing information about process server misconduct more readily accessible to tenants, consumers, and their advocates.

The Department of Consumer and Worker Protection can publicize information about process servers online.

In New York City, process servers are licensed and regulated by the Department of Consumer and Worker Protection (DCWP).¹¹ The DCWP's current practice of publicizing process server information is insufficient to support timely and effective service challenges. To better combat the pervasive issue of sewer service, DCWP should expand the disciplinary information it readily publishes online by: (1) expanding the scope and detail of the existing Actions Taken Against Process Servers spreadsheet; and (2) creating a digital reading room of disciplinary actions.

1. DCWP should expand the information contained in its "Actions Taken Against Process Servers" spreadsheet.

DCWP is required to post notification of its discipline of process servers.¹² DCWP fulfills this requirement by maintaining the webpage "Actions Taken Against Process Servers ("Actions Taken Spreadsheet").¹³ The Actions Taken Spreadsheet, while frequently relied upon by advocates, suffers from several severe limitations. First, the Actions Taken Spreadsheet contains only very minimal descriptions of violations. Virtually all recent entries do not specify the reason for the discipline, with most stating only that the action was due to a "Failure to Comply with Process Server Law/Regs." In practice, advocates must guess whether a listed violation reflects a non-substantive recordkeeping mistake or a demonstrated history of signing false affidavits of service—the latter of which carries significantly more weight in a jurisdictional challenge. Second, DCWP removes entries from the Actions Taken Spreadsheet without explanation, causing a loss of vital historical data. Third, the Actions Taken Spreadsheet does not provide access to underlying documents. Thus, the public can only learn more about the disciplinary actions through FOIL requests, which can take weeks or months. These limitations undermine the Actions Taken Spreadsheet's core purpose: providing notice of discipline to the public.

DCWP should immediately revise the Actions Taken Spreadsheet by:

- providing more detailed descriptions of the reason for each action;
- preserving all entries, regardless of type of violation or resolution, and including a date stamp whenever updated; and
- including hyperlinks to the underlying disciplinary documentation.

DCWP would not be the first agency to make such changes: in 2026, the Texas Judicial Branch updated its process server Disciplinary Action Log, which already provided a detailed description of each violation, to include a link to the underlying documentation.¹⁴

These suggested changes could be implemented immediately and at minimal cost, as DCWP already must reference the relevant documents when adding new entries to the Actions Taken Spreadsheet. Moreover, these changes would be cost-effective in the long-term because it would reduce the need of advocates to rely on regular FOIL requests.

2. DCWP should create an online reading room with all documentation showing process server misconduct.

While the Actions Taken Spreadsheet is helpful, it does not include all documentation of process server misconduct. For example, many notorious process servers have a long history of misconduct that pre-date the Actions Taken Spreadsheet; the public could only rely on FOIL to know about older violations. As noted above, DCWP has removed certain entries from the spreadsheet altogether. Additionally, the Actions Taken Spreadsheet does not include notification of all types of misconduct. Among other things, it does not include whether the licensed process server has been the subject or recipient of investigatory subpoenas, notices of intent to deny or revoke licenses, or judicial findings of improper service. This information could significantly affect how a court considers a service challenge. Currently, the only way for the public to access this information is through a FOIL request,¹⁵ which may create delays of a month or more.¹⁶ Reliance on FOIL is particularly ill-suited to the realities of civil court practice, where motions challenging service are often subject to short briefing schedules and delayed access to records can functionally foreclose meaningful relief.

DCWP already has the authority to maintain these records for public inspection,¹⁷ and now has the opportunity to be pro-active instead of reactive by uploading documentation showing process server misconduct to an online reading room. An online reading room would effectively implement DCWP's duty, reduce duplicative FOIL requests, and improve transparency and utility to the public. Other states have adopted similar models: Montana, for example, maintains an online Licensee Lookup system allowing users to download disciplinary records for process servers.¹⁸

DCWP already possesses the relevant materials to make this change; it would only need to update how those materials are organized and displayed. This transition could begin immediately. The success of this proposal would be readily apparent by the reduced number of FOIL requests and usage metrics for the online reading room.

3. DCWP should require process servers to submit affidavits of service to the agency.

In most housing and consumer debt cases, affidavits of service are the primary—and often sole—evidence that courts rely upon to establish personal jurisdiction over a defendant. Courts routinely accept affidavits of service at face value when determining whether a defendant was properly served, whether a default judgment may be entered, whether a default should later be vacated, and whether to dismiss a case for improper service.

When affidavits of service are examined collectively, however, patterns of suspicious or impossible service practices often emerge. Investigations have repeatedly revealed scenarios in which process servers claimed to effectuate service in multiple locations at the same exact time,¹⁹ alleged service with physically impossible travel times,²⁰ or routinely swore to serve fictitious household members across numerous cases.²¹ While such evidence is highly probative of sewer service, the current functionality of the NYSCEF requires extraordinary effort to uncover these patterns (often involving manual retrieval of hundreds of filings),²² making this information effectively inaccessible in routine litigation.

DCWP should use its rulemaking power to require that process servers submit all completed affidavits of service to the DCWP.²³ The DCWP should then post all affidavits of service online in a format searchable by the public. If tenants, consumers, and advocates had access to all affidavits of service, they could easily show when process servers swear to impossible or contradictory service, and assess when an individual or agency is engaging in widespread sewer service practices. This access would enable New Yorkers to dispute improper service in their individual cases and to bring affirmative challenges to widespread sewer service practices. Moreover, this would discourage sewer service at the outset, routing out bad actors from the industry.

This proposal would ultimately reduce the cost borne by tenants and consumers due to widespread sewer service, offsetting any additional costs incurred by the City through investment in new technology or staff.

Alternatively, DCWP could work with the Office of Court Administration (OCA), the agency responsible for e-filing,²⁴ to encourage two straightforward changes to NYSCEF:

- require that parties filing an affidavit of service enter the name of the process server into a discrete, standardized data field; and
- enable case searches by process server name.²⁵

The success of this proposal could be demonstrated by tenants and consumers having meaningful access to affidavits of service in other cases that undermine or contradict the affidavit filed in their own case, advocates bringing more affirmative challenges to service, and reduced improper service overall.

The City can issue a policy statement to state courts about sewer service.

Even where defendants present evidence undermining service, courts may be reluctant to credit the sworn denials or may fail to recognize sewer service as a systemic problem, especially when defendants are proceeding *pro se*.²⁶ DCWP should use its respective authority to issue recommendations on sewer service to support the courts' informed consideration of service issues.²⁷

The DCWP should issue a policy statement affirming the prevalence of sewer service and encouraging courts to:

- treat defendants' sworn statements regarding non-service seriously, in both *pro se* and represented cases;²⁸
- exercise leniency and afford due consideration to *pro se* tenants and consumers who do not have "sewer-service arguments [] couched in legal language," such as by explaining the applicable procedures and burdens of proof in plain language and dismissing cases *sua sponte* for lack of personal jurisdiction when plaintiffs fail to meet their burden to show service was proper;²⁹ and
- engage in fact-finding and conduct hearings to determine if service was lawful.³⁰

In addition, DCWP should conduct a training program for New York City courts and OCA on sewer service, which could include topics such as: data on consumer complaints, traverse reporting, and process server misconduct. DCWP could begin developing content for these trainings immediately. The success of these proposals can be measured through more frequent hearings on the lawfulness of service, service-based dismissals, denials of default judgments on the basis of improper service, and judicial recognition of improper service patterns in decisions.

Conclusion

Sewer service continues to undermine due process for tenants and consumers across New York City. While broader reforms are necessary to fully eliminate the practice, the City can take immediate, low-cost action to improve transparency and access to information that already exists. By equipping defendants with the tools needed to challenge improper service and by ensuring courts have a clearer picture of systemic misconduct, New York City can meaningfully empower low-income tenants and consumers to successfully fight back against sewer service.

Endnotes

1 There are very specific legal requirements in New York for what kind of notification constitutes sufficient service of process; for example, legal papers must either be actually handed to the person getting sued (“personal” service), or given to another adult in their household (“substitute” service), or, if that is not possible after numerous visits to the person’s home, they can be attached to a person’s door and also mailed (“conspicuous” or “nail-and-mail” service). C.P.L.R. § 308; R.P.A.P.L. § 735.

2 6 R.C.N.Y. § 2-235.

3 Report, *Out of Service: A Call to Fix the Broken Process Service Industry*, New York City Bar Association Committees on Civil Court and Consumer Affairs at 2 (Apr. 2010), <https://www.nycbar.org/pdf/report/uploads/ProcessServiceReport4-10.pdf>.

4 In *Burks et al. v. Gotham Process, Inc., et al.*, a class litigation about sewer service, the highest number of class members lived in South Bronx, which is comprised of 80 percent people of color, with an average income of ~\$25,000. 20 Civ. 1001 (E.D.N.Y. 2020); see also Report, *Debt Deception: How Debt Buyers Abuse the Legal System to Prey on Lower-Income New Yorkers*, The Legal Aid Society et al., at 1 (May 2010), <https://mobilizationforjustice.org/wp-content/uploads/reports/DEBT-DECEPTION.pdf> (“Virtually all (95 percent) of people with default judgments entered against them by debt buyers resided in low-or moderate-income neighborhoods, and more than half (56 percent) lived in predominantly black or Latino neighborhoods.”).

5 *Matter of Barr v. Dept. of Consumer Affs. of City of New York*, 70 N.Y.2d 821, 823 (1987).

6 *Out of Service* at 7.

7 *Id.* at 1.

8 *Court Statistics: New York City Civil Court*, New York State Unified Court System, <https://perma.cc/CU3A-ZUMH> (last accessed May 5, 2026).

9 Ryan Brenner, et al., *Half the Battle is Just Showing Up: Non-Answers and Default Judgments in Non-Payment Eviction Cases Across New York State, 2016-2022*, N.Y.U. Furman Center at 2 (Jan. 2023) https://www.furmancenter.org/wp-content/uploads/2023/01/Half_the_Battle_is_Just_Showing_Up_V3_1.pdf.

10 Nina Lea Oishi, *Judging Debt: How Judges' Practices in Consumer-Credit Court Undermine Procedural Justice*, 133 Yale LJ Forum 271, 291 (Nov. 22, 2023), <https://yalelawjournal.org/essay/judging-debt-how-judges-practices-in-consumer-credit-court-undermine-procedural-justice> (“[M]ultiple judges disparage a defendant's sworn affidavit that they were not served as a ‘self-serving statement,’ despite the fact that a self-serving statement is often the only way that a defendant can swear something never happened.”)

11 N.Y.C. Admin. Code § 20-104(a).

12 N.Y.C. Admin. Code § 20-409.

13 *Information for Process Server Liability*, NYC Department of Consumer and Worker Protection, <https://www.nyc.gov/site/dca/businesses/info-process-servers.page>.

14 *Compare Process Servers - Disciplinary Action Log (effective Feb. 27, 2025)*, Texas Judicial Branch, https://www.txcourts.gov/media/1460124/02272025_process-server-disciplinary-actions-log-002.pdf, with *Process Servers - Disciplinary Action Log (effective Feb. 20, 2026)*, Texas Judicial Branch, <https://www.txcourts.gov/media/1460782/process-server-disciplinary-action-log.pdf>.

15 See N.Y.S. Public Officers Law § 87(2).

16 While DCWP’s FOIL responses are already public and searchable on the OpenRecords website, this is not sufficient to provide ready and accessible documentation. First, uploaded records may be impossible to find because the wording of the underlying FOIL requests determines which records appear in searches. Second, many FOIL requests contain documents for several process servers at once; an individual must scour the records to find potentially relevant records for the process server of interest. And third, because the language of the underlying request is not published, the public has no way of knowing if certain documents do not exist or were not specifically requested. The only way to ensure comprehensive responses is by making a separate FOIL request, which can take over a month to receive a response. *Explanation of Time Limits*

for Response, Open Government, New York State, <https://opengovernment.ny.gov/explanation-time-limits-response> (last accessed May 5, 2026).

17 N.Y.C. Admin. Code § 20-104(c).

18 *License Search*, Montana Department of Labor and Industry, <https://ebizws.mt.gov/PUBLICPORTAL/searchform?mylist=licenses>, (last accessed May 5, 2026).

19 See *Cuomo v. Serves You Right, Inc., et al.*, Index No. 401867/2010 at 6 (Sup. Ct. 2010) (attorney general investigation finding over 800 occasions in two years of affidavits of service alleging simultaneous service times).

20 *Id.* at 7-8 (describing service with impossible travel times, such as swearing to service 400 miles apart in seventeen minutes).

21 Report, *Deceptive Delivery – The Real Cost of ‘Sewer Service’ in the Courtroom*, New York Legal Assistance Group 6-7 (Apr. 1, 2025), <https://nylag.org/new-report-deceptive-delivery-the-real-cost-of-sewer-service-in-the-courtroom/> (describing pattern of sewer service in a class action litigation involving the systemic falsifying of service of non-existent relatives).

22 In a review of 91 affidavits of service, advocates stated that “[b]ecause collection companies tend to purchase a large number of index numbers at a time, we attempted to look at multiple cases handled by the same process serving company.” Report, *Justice Disserved*, MFY Legal Services, Inc., Consumer Rights Project 6 (June 2008), https://mobilizationforjustice.org/wp-content/uploads/reports/Justice_Disserved.pdf. In the two federal affirmative lawsuits challenging sewer service practices, advocates spent time and effort collecting hundreds of affidavits of service from NYSCEF (*Prince v. Boroff, et al.*, 1:24-cv-02706, ECF No. 43 at 11 (S.D.N.Y. 2025) and at the New York City Civil Court’s Public Access Terminal (*Burks v. Gotham, et al.*, 1:20-cv-01001, ECF No. 27 at 12 (E.D.N.Y. 2020)).

23 See N.Y.C. Admin. Code § 20-104(b); N.Y.C.C. § 2203(f).

24 *Administrative Structure*, The New York State Unified Court System (May 4, 2026) <https://www.nycourts.gov/LegacyPDFS/admin/AdminStructure.pdf>; Admin. Order 158/25, New York State Unified Court System (July 1, 2025). <https://iappscontent.courts.state.ny.us/NYSCEF/live/legislation/AO.158.25.pdf>.

25 These reforms would not alter substantive service requirements or impose new obligations on litigants beyond minimal data entry. Plaintiffs already must file proof of service, 22 N.Y.C.R.R. 1245.3(c)(5), and the identity of the process server is already contained within affidavits. In addition, NYSCEF already generates document-specific data entry fields when filing documents and supports similar search functionality by party name search and attorney name search.

26 *Judging Debt*, at 273-74.

27 See generally, N.Y.C.C. § 2203.

28 See *Deceptive Delivery*, at 4.

29 *Judging Debt*, at 287, 302.

30 Report, *Due Process and Consumer Debt: Eliminating Barriers to Justice in Consumer Credit Cases*, N.Y. Appleseed 30 (June 22, 2009), https://www.ftc.gov/sites/default/files/documents/public_comments/protecting-consumers-debt-collection-litigation-and-arbitration-series-roundtable-discussions-august/545921-00031.pdf.

HOLDING CORPORATIONS ACCOUNTABLE FOR EXPLOITING ONLINE EDUCATION

NEW YORK CITY CAN PROTECT STUDENTS FROM
EXPLOITATION BY FOR-PROFIT ONLINE PROGRAM
MANAGEMENT COMPANIES

Dr. Amber Villalobos, Fellow

Carolyn Fast, Director of Higher Education Policy and Senior Fellow
The Century Foundation

For-profit companies that partner with New York City’s nonprofit colleges to operate online programs are misleading students—including non-traditional students, student parents, and Black and Latino students—and driving tuition prices up.

Online college programs are an increasingly popular alternative to traditional in-person programs, in part because online programs provide comparatively greater scheduling flexibility and convenience. Online college programs are especially attractive to working students and parenting students, who may find that online programs can better accommodate work and/or child-care obligations. While online enrollment has grown in every demographic, Black and Latino students have shown the largest increases in online college enrollment and are overrepresented in online college programs.¹

As colleges expand their online offerings, many public and nonprofit colleges have entered into arrangements with third-party,² for-profit companies called Online Program Managers (OPMs).³ These companies provide a variety of services to colleges, including designing, marketing, and operating online courses. In some cases, OPMs create marketing materials, recruit prospective students, develop admissions requirements, design curriculum, and even provide instruction. In New York City, schools such as New York University and Fordham University offer online programs through arrangements with OPMs.⁴

While OPMs often play a key role in developing and operating programs, the OPMs’ role is often inadequately disclosed to students. Instead, the online programs are presented under the branding of the institution, creating the false impression that the program and associated services are being offered directly by the institution. As a result, students may be misled to believe that the OPM-operated programs are offered directly by the institution and have the same faculty, admissions criteria, rigor, and quality as programs offered directly by the institution, when in fact the programs may be designed, marketed, and taught by the OPM, rather than by the institution’s faculty.⁵

In addition, OPMs are frequently paid through “tuition-sharing” arrangements, where the OPM receives a percentage of each student’s tuition.⁶ In such arrangements, the OPM’s compensation is tied to how many students enroll in the program. OPMs are typically paid 50 percent or more of tuition dollars pursuant to such an arrangement. When OPMs are also involved in marketing and recruiting, this type of per-student bounty

payment creates a financial incentive for the OPM to enroll as many students as possible, which can lead to aggressive or even deceptive marketing practices. While federal law ordinarily prohibits colleges from paying a per-student incentive to recruiters, guidance issued by the U.S. Department of Education in 2011 created a loophole that permits colleges to pay OPMs via tuition-sharing arrangements where recruitment services are provided along with other services.⁷

Tuition-sharing arrangements create incentives for OPMs to enroll as many students as possible in order to maximize profits. Where OPMs participate in decisions about admissions standards, admissions decisions, or enrollment targets, tuition-sharing arrangements create incentives for OPMs to water down admissions requirements or admit students without concern for whether or not the student will succeed in or benefit from the online program.⁸

There have been several instances where the financial incentives to maximize enrollment has led OPMs to allegedly use deceptive and misleading marketing strategies to lure students into enrolling.⁹ In some cases, OPMs have been the subject of lawsuits, including a class action alleging that students were misled to believe that the online programs they were enrolling in would be taught by faculty of the institution rather than employees of the OPM.¹⁰ OPMs have also raised concerns for targeting marketing to low-income students and students of color.¹¹

In addition, tuition-sharing arrangements between colleges and OPMs divert public dollars from public and nonprofit institutions to for-profit companies and create incentives for colleges and OPMs to drive up tuition costs, leading to increased student debt and greater strain on students' finances.¹² Indeed, students who take courses exclusively online tend to have more difficulty repaying student loans than students who attend in person courses.¹³

New York City can adopt regulations to address OPMs' most deceptive and unconscionable practices.

To help protect New York City students from deceptive conduct by OPMs, help control college tuition costs, and prevent the diversion of public investment in higher education to for-profit companies, the New York City Department of Consumer and Worker Protection (DCWP) should issue regulations under the New York City Consumer Protection Law (CPL) to place guardrails on colleges' arrangements with OPMs.¹⁴ The CPL prohibits covered entities from engaging in deceptive or unconscionable trade practices in the sale of consumer goods or services or in the collection of consumer debts. The DCWP has established authority to issue regulations under the CPL, as well as authority to enforce the CPL and underlying regulations, with respect to colleges' sale of educational services.¹⁵

The CPL prohibits deceptive and unconscionable trade practices and provides that conduct is "unconscionable" where it unfairly takes advantage of a consumer's lack of knowledge.¹⁶ Tuition-sharing arrangements and marketing and recruiting practices that obscure OPMs' role in developing, marketing, and/or instruction are unconscionable practices under the CPL. OPMs exploit consumer information asymmetry and rely on students' trust in their college and lack of knowledge about the their role. OPMs exploit this trust and lack of knowledge by using advertising that prominently features the college's name, logo, and branding. OPM staff may also use email addresses that create the impression that they are employees of the college.

The new regulations covering colleges' arrangements with OPMs should:

- 1. Limit the use of incentive compensation.** While not all tuition-sharing arrangements between colleges and OPMs would be banned, the regulations should prohibit colleges from entering tuition-sharing arrangements where the OPM provides marketing, recruiting, or admissions services. Colleges would have the option of entering into tuition-sharing arrangements with OPMs that do not provide those services. Colleges would also retain the option of contracting with OPMs to provide marketing, recruiting, and admissions services, but such contracts would be restricted to a "fee for service" model, rather than via a tuition-sharing compensation model.
- 2. Require reporting.** Regulations should require colleges that partner with OPMs to submit OPM contracts to DCWP so that DCWP can track programs operated by OPMs and monitor compliance with the requirements of City law and regulations.

3. **Protect colleges' authority.** Regulations should ensure that colleges retain full decision-making control over essential functions, such as curriculum development, instructor selection, admissions standards, enrollment targets, and prioritization of existing or new online programs.
4. **Prevent misrepresentations and misleading branding.** Regulations should prohibit OPMs from engaging in deceptive marketing or recruiting practices. Regulations should also require OPMs to clearly disclose their status as third-party providers. Regulations should require OPMs to use distinct branding and prohibit OPM employees from using college logos, email addresses, or falsely presenting themselves as college staff.
5. **Protect faculty intellectual property.** Regulations could also safeguard faculty rights, ensuring that intellectual property, such as course materials developed by faculty, remains owned by the faculty members, not the OPM.
6. **Require transparency.** Regulations should require OPMs and their college partners to disclose OPMs' role in marketing, enrollment, and instruction in promotional materials.

Note that The Century Foundation and Protect Borrowers drafted model OPM legislation that incorporates each of these elements and could serve as a model for a DCWP regulation.¹⁷

As noted above, federal law includes a prohibition on colleges providing incentive compensation to recruiters, but in 2011 the Department of Education issued guidance that created a loophole for colleges' arrangements with OPMs that provide recruiting services as part of a "bundle" of services. However, in recognition of the concerns about OPMs, several states, such as Minnesota, Ohio, and New Jersey, have introduced or enacted legislation that would address some of the risks posed by colleges' arrangements with OPMs.

The Minnesota law, enacted in 2024, prohibits public colleges in Minnesota from entering into new tuition-sharing agreements with OPMs that provide recruitment and marketing services. The law also prohibits OPMs from having decision-making authority over admissions requirements.¹⁸ The law also creates improved oversight and increased reporting requirements for OPMs. The law requires an institution's governing board to review OPM contracts and ensure compliance with state law before approving new contracts. The law also requires OPMs to identify themselves as third-party providers when engaging in any recruitment or marketing activities. It also provides that colleges that contract with OPMs must approve all marketing and recruitment communications from the OPM and publish on their website a list of all online programs that are supported by the OPM.

The Ohio law, which was enacted in 2025, applies to private, public, and career colleges, and contains guardrails on schools' arrangements with OPMs.¹⁹ Notably, the Ohio law does *not* prohibit tuition-sharing arrangements between schools and OPMs. However, the law does (1) require colleges to disclose partnerships with the OPM on program websites; (2) require the OPM staff identify themselves when providing services to students; and (3) prohibit the OPM from controlling or making decisions regarding student financial aid.

Finally, in New Jersey, a bill was introduced in 2025 that would prohibit public, private nonprofit, and for-profit colleges in New Jersey from entering into tuition-sharing agreements with OPMs that provide recruiting services, prevent colleges from granting OPMs inappropriate control over college and program decisions, and require institutions to share information about their OPM contracts with the state.²⁰

Students of color are at particular risk of harm from OPM arrangements with schools.

Students of color are at a particular risk of harm from OPM arrangements. Black students are more concentrated in online undergraduate education than in in-person programs, and both Black and Hispanic students are overrepresented in online education relative to their respective adult populations in the United States.²¹ While data on OPM-program enrollment is limited, a 2020 report by 2U, one of the largest OPMs, noted that 19.5 percent of students in their network of programs were Black and 16 percent were Hispanic.²² 2U thus had a clear overrepresentation of Black students, larger than the Black U.S. adult population (at 12 percent) and larger than the already large representation of Black students in undergraduate online programs (15 percent) and graduate online programs (17.4 percent).

While overrepresentation in higher education would be a positive development in some contexts, it raises concerns here because student outcomes for exclusively online programs trail outcomes for hybrid or fully in person programs. For example, Black and Hispanic graduates of online degree programs experience more difficulty with student debt than Black and Hispanic graduates of brick and mortar programs. For those that complete their undergraduate degree programs online, more than 50 percent of Black and more than 50 percent of Hispanic students have difficulty repaying their student loans, relative to only 34 percent of white students who completed online degree programs.²³ Conversely, only 32 percent of Black and 22 percent of Hispanic students who completed their degrees at brick and mortar programs experience difficulty repaying their loans one year after graduation. Stronger regulation of OPMs by DCWP would help protect Black and Hispanic students from being the target of misleading marketing by OPMs.

Conclusion

New York City can protect online college students from deceptive practices, help control the cost of online programs, and prevent public investment in higher education from being diverted to for-profit companies by regulating colleges' arrangements with OPMs. Strengthening regulation of OPMs will be especially beneficial to non-traditional students, working students, parenting students, and Black and Hispanic students.

Endnotes

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- 11 Amber Villalobos, *Online College Programs Increasingly Put Black and Hispanic Students at Risk*.
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- 13 Christian Michael Smith, Amber D. Villalobos, Laura T. Hamilton, and Charlie Eaton, *Promising or Predatory? Online Education in Non-Profit and For-Profit Universities*, Social Forces 102, No. 3 952-77 (Mar. 2024), <https://doi.org/10.1093/sf/soad074>.
- 14 New York City Consumer Protection Law, N.Y. Admin. Code § 20-7- et seq.
- 15 *City of New York v. Berkeley Educational Services of New York, Inc.*, 179 A.D.3d 538 (1st Dep’t 2020).
- 16 The CPL also provides that for conduct to be “unconscionable”, the conduct must be declared unconscionable and described in a rule or regulation. Accordingly, DCWP should explicitly state in the OPM regulation that the prohibited conduct is unconscionable.
- 17 The model legislation developed by The Century Foundation and Protect Borrowers is available at <https://protectborrowers.org/wp-content/uploads/2025/05/Model-OPM-State-Legislation.pdf>.
- 18 H.F. 4024, 93rd Leg., Reg. Sess. (Minn. 2024), <https://www.revisor.mn.gov/bills/93/2024/0/HF/4024/versions/bill/3/>.
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HOLDING CORPORATIONS ACCOUNTABLE USING CITY CONTRACTS

STRENGTHENING WORKER AND CONSUMER
PROTECTIONS THROUGH CITY PROCUREMENT

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Introduction: New York City's \$40+ billion dollar procurement budget is an under-tapped opportunity to enhance consumer and worker protections.¹

Procurement can be an impactful tool to advance policies that benefit New Yorkers. The City entered contracts with vendors exceeding \$40 billion in FY25.² Mayoral agencies accounted for over 85 percent of those dollars.

Existing laws and policies establish the viability of using the City's procurement authority to advance its economic justice and affordability goals.³ The City has already adopted a number of procurement rules that benefit workers, consumers, and small business owners: a living wage requirement for some workers,⁴ prevailing wage requirements for others,⁵ a labor peace agreement provision for human services contracts,⁶ minority- and woman-owned business enterprise (MWBE) standards,⁷ and noncompetitive small purchase (NSP) method rules,⁸ to name a few. New York State also requires contractors to adopt various worker protection provisions verbatim in their contracts.⁹

We propose expanding the use of the City's procurement authority to further the Administration's policy aims. Specifically, we suggest two policy ideas that illustrate how the Mayor can use the City's own contracts to directly promote the Administration's worker and consumer protection priorities:

1. Banning contractors on public works contracts from using or enforcing mandatory arbitration agreements,¹⁰ class action waivers, and noncompete clauses against their workers;¹¹ and
2. Requiring contractors to affirm compliance with the ban on training repayment agreement provisions (TRAPs¹²) in their agreements with workers on City projects, and to notify workers of their rights under the ban.

The City can enhance and enforce worker and consumer rights by implementing two additional procurement policies.

Through the Mayor's Office of Contracting Services (MOCS)¹³ and contracting agencies, the City can advance worker and consumer protections in two salient ways.

- 1. The City can ban its contractors from using or enforcing mandatory arbitration agreements, class action waivers, and noncompete clauses against workers engaged on City projects.**

To promote transparency, accountability, competition, the local economy, and worker safety, the City can forbid contractors from imposing mandatory arbitration provisions, class action waivers, and noncompete clauses on their workers on City projects. The City can require that the same standard apply, as well, to all subcontractors on those projects.

Limiting forced arbitration greatly benefits workers and consumers. A recent study by the U.S. Department of Labor found that after the U.S. Supreme Court green-lit mandatory arbitration and class action waivers in employment contracts, enforcement of wage laws and recovery of lost wages dropped significantly.¹⁴ A separate study by the National Employment Law Project found that women, Black, and Hispanic workers are significantly more likely to be subject to mandatory arbitration and class action waivers.¹⁵ Many of the sectors that the U.S. Department of Labor reports as being the most prone to labor violations are highly represented in City procurement: construction, agriculture, amusement, food services, guard services, janitorial services, and landscaping, among others.¹⁶

That is why preventing forced arbitration matters. Because when there is no arbitration provision in an employment or consumer contract, important disputes are aired in court, in public, and the information unearthed can be shared. Case outcomes and decisions can be relied on by later courts. Widespread abuses by the same entity become public, and can be addressed across the board.

By contrast, when workers and consumers are forced into private arbitration, the information that is discovered generally cannot be shared and does not reach other people who may have been harmed by the same business practice. And the outcomes for workers and consumers, even in their individual cases, tend to be much worse. A study by two Cornell University professors, for example, found strikingly lower win rates and damages awarded in arbitrated employment disputes compared to litigated cases.¹⁷ Another study, by

Harvard and Stanford Business School professors, found that industry-friendly arbitrators were 40 percent more likely to be selected than consumer-friendly arbitrators.¹⁸ The study also found that repeat-player industry attorneys picked arbitrators based on their past favorable rulings, which the authors noted seemed to influence arbitrators to favor industry in their future decision making.

Where there is less forced arbitration, there is more justice. The City is better off when it contracts with companies that avoid litigation by treating their workers fairly and that comply with the law, rather than those that can bid below their competition because they systematically exploit workers and then block them from obtaining redress.

Noncompete clauses operate similarly. When workers are not allowed to move to a competitor, their employers have less incentive to offer them competitive wages, benefits, safety, and fair treatment.¹⁹ Barring the use of noncompete clauses would allow workers to offer their work to the highest bidder.

The benefits would be greatest for the workers currently most negatively affected by noncompete clauses. The Federal Trade Commission's rulemaking on noncompete clauses found evidence that these clauses increase racial and gender wage gaps by disproportionately reducing the wages of women, Black, and brown workers;²⁰ researchers estimated that banning the clauses could make tangible progress toward closing racial and gender wage gaps.²¹

New York case law applies a skeptical eye to noncompete clauses but they are not prohibited under city, state, or federal statute or rule.²² Prohibiting these provisions in City contracts could substantially advance workers' rights.

A caveat about the arbitration and class action waiver aspects of the proposal: The Federal Arbitration Act (FAA) preempts the City from *regulating* the use of forced arbitration provisions and class action waivers within the City's borders writ large, and may also prevent the City from prohibiting its contractors from using these terms in their contracts that do not involve the City. But the City can ban these terms for workers on City-funded projects.²³ The difference lies in the "market participant" doctrine developed in the context of the "dormant commerce clause" of the U.S. Constitution.²⁴ The dormant commerce clause prevents state and local governments from engaging in certain types of discrimination against or burdening interstate commerce. When a city or state acts as a "market participant"—buying and selling goods and services—it has more leeway to further its policy goals than it does when imposing a general regulation on all businesses.²⁵ Similarly, in the context of FAA preemption, the City has more latitude to restrict the use of arbitration and noncompete provisions when it is spending its own funds than when it is making a broad policy that regulates all businesses

that operate within the City.²⁶ That same greater discretion probably allows the City to impose similar conditions on subcontractors and sub-subcontractors working on City projects.

2. The City can help to enforce the New York State statute banning the use of most training repayment agreement provisions (TRAPs) by requiring contractors and subcontractors to notify employees of this protection.

As another exercise of its procurement authority to benefit workers, the City can require an affirmative statement from bidders that they will not enforce or include TRAPs in their worker agreements, and can require all contractors to notify their workers on City projects of their rights under the state law. This change could be significant in increasing compliance with a new and important law.

As the policy statement of the New York State “Trapped at Work Act” bill put it:

[P]rovisions in employment contracts that effectively leave workers indebted to their former employers for the costs of training upon departure have the deleterious effect of stifling professional mobility, creating significant barriers to achieving long-term financial security, and ultimately chilling the state’s broader economy. Such arrangements trap vulnerable workers in hostile or undercompensated environments, thereby undermining the integrity of the labor market and the economic well-being of all New Yorkers.²⁷

Requiring a specific “no TRAPs” affirmation in a bid and making a disclosure available to workers operationalizes the promise each bidder already makes to comply with City and State laws. The City already engages in this practice. For example, the City’s standard contract language currently requires contractors to provide employees with information about whistleblower protections and procedures.²⁸ Practically, the TRAPs removal requirement—enforced through the procurement power—would increase the likelihood that companies ensure they have removed such provisions from their contracts.

Conclusion

The City has significant authority to improve the conditions of workers and consumers by using its procurement power to advance economic justice policies. Two steps the City could take immediately are (1) to stop contractors from using forced arbitration agreements, class action waivers, and noncompete clauses, and (2) to require that contractors remove TRAPs from their contracts and notify workers of the new state statute prohibiting these provisions. These measures would illustrate the potential of the City's procurement authority and advance protections for the City's most vulnerable residents.

Endnotes

1 The views expressed in this proposal are solely those of the authors. Affiliation is only listed for identification purposes.

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3 For example, the City already uses procurement to advance equity goals, labor standards, climate goals, and corporate accountability. See *generally* Rules of the City of New York, Title 9, Procurement Policy Board Rules (2026).

4 N.Y.C. Admin. Code § 6-109.

5 *Id.*

6 *Rider to City Service Contracts Pursuant to City of New York Admin. Code § 6145 Labor Peace Agreements for Human Services Contracts*, New York City, https://www.nyc.gov/assets/dycd/downloads/pdf/Combined_LPA_Rider_attachments.pdf (last accessed May 16, 2026).

7 N.Y.C. Admin. Code § 6-129.

8 N.Y.C.R.R. § 3-08.

9 *Appendix A, Standard Clauses for New York State Contracts*, New York State (June 2023), <https://ogs.ny.gov/system/files/documents/2023/06/appendix-a-june-2023.pdf> (last accessed May 17, 2026). Some of the required standard clauses include: wage and hour compliance, participation in workers' compensation, and compliance with NY's Human Rights Law (anti-discrimination).

10 Mandatory or forced arbitration agreements and class action waivers force the signatories to agree to resolve all disputes between them in private arbitration proceedings that are not subject to appeal or judicial review, waive the right to trial by jury, and preclude class actions.

11 That is, any subcontractors working on the City project. The City can also require its contractors' agreements with subcontractors to reflect the prohibition with respect to any sub-subcontractors.

12 Training Repayment Agreement Provisions (TRAPs) are contract terms that require workers to pay the employer back if they resign before a certain amount of time, ostensibly to compensate the employer for training the worker. In practice, TRAPs deter workers from seeking better wages and working conditions. See Report, *Trapped at Work: How Big Business Uses Student Debt to Restrict Worker Mobility*, Student Borrower Protection Center (July 2022), https://protectborrowers.org/wp-content/uploads/2022/07/Trapped-at-Work_Final.pdf.

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Restrictions on Worker Mobility, Natl. Bureau of Econ. Research (rev. Dec. 2024), https://www.nber.org/system/files/working_papers/w31929/w31929.pdf.

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21 *Id.*

22 See *BDO Seidman v. Hirshberg*, 93 N.Y.2d 382 (1999) (limiting the use of noncompete agreements); *Non-Compete Rule*, Federal Trade Commission (Sept. 2025) (noting “the Noncompete Rule is not in effect and it is not enforceable”), <https://www.ftc.gov/legal-library/browse/rules/noncompete-rule>.

23 See, e.g., Notes, *The Market Participation Doctrine & Forced Arbitration*, 137 Harv. L. Rev. 1359 (2024), <https://harvardlawreview.org/print/vol-137/the-market-participant-doctrine-and-forced-arbitration/> (citing David Seligman, *The Model State Consumer & Employee Justice Enforcement Act*, Nat’l Consumer L. Ctr. 31, 33-38 (Nov. 2015), <https://www.nclc.org/wp-content/uploads/2022/09/model-state-arb-act-2015.pdf>).

24 U.S. Const., Art. I, Sec. 8, cl. 3.

25 Dan T. Coenen, *Untangling the Market-Participant Exemption to the Dormant Commerce Clause*, 88 Mich. L. Rev. 395, 398 (1989), <https://repository.law.umich.edu/mlr/vol88/iss3/2/>.

26 More generally, the attraction of using the City’s procurement authority (rather than its regulatory authority) to effect policy is the reduction of litigation risk under either federal law (e.g., the privileges and immunities clause of the 14th Amendment or the National Labor Relations Act, in addition to the FAA and the dormant commerce clause) or state law. See *Boreali v. Axelrod*, 71 NY2d 1, 7 (1987); *New York Statewide Coalition of Hispanic Chamber of Commerce v. the New York City Department of Health and Mental Hygiene*, 23 NY3d 681 (2014).

27 *Trapped At Work Act*, S4070 (N.Y.2025-2026), <https://www.nysenate.gov/legislation/bills/2025/S4070/amendment/A>.

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HOLDING CORPORATIONS ACCOUNTABLE BY EMPOWERING EVERYDAY NEW YORKERS

**A NEW LAW FOR A NEW ERA: THE MAMDANI
ADMINISTRATION CAN PROTECT ALL NEW YORKERS
THROUGH A NEW CONSUMER PROTECTION LAW**

Winston Berkman-Breen
Legal Director
Protect Borrowers

Existing consumer protection laws aren't being enforced or have gaps in coverage, and New Yorkers are paying the price.

At the same time that New York City, like the rest of the country, is experiencing an affordability crisis, the federal government has completely abdicated its responsibilities to protect consumers, workers, and small businesses. This abdication, although apparent in almost every agency, is especially brazen with respect to the Consumer Financial Protection Bureau (CFPB). The administration has attempted to fire nearly all agency staff and attempted to cut off its funding,¹ dismissed or terminated the majority of its enforcement actions,² pardoned some of the worst corporate offenders responsible for over \$3 billion in consumer harm,³ and stopped complying with at least 87 statutory mandates.⁴ The agency has also deprioritized its work related to certain topics, such as medical debt and student loans,⁵ and announced that its examiners—who are charged with auditing companies for compliance with applicable consumer protections—must make a “humility pledge” to each company before commencing an exam.⁶ The cumulative effect of these actions has already caused an estimated \$18 billion in costs for working families.⁷

New Yorkers are lucky to have a powerful local agency working overtime to compensate for this federal retrenchment in the Department of Consumer and Worker Protection (DCWP). However, one agency cannot address the needs of every resident or worker, and the agency lacks authority to protect small businesses. What's more, even if DCWP had an infinite budget and robust staffing, it can only enforce the laws that the City Council has empowered it to enforce, which cannot keep up with the breadth and pace of abuses that plague New Yorkers every day. Without a broad law meant to ensure a fair economy and the ability to meaningfully enforce that law, New Yorkers will continue to experience abusive practices, including those that violate federal laws but for which there is no actual accountability.

The Mamdani Administration can empower everyday New Yorkers by allowing them to enforce existing consumer protections on their own.

New York City can enact a new municipal consumer protection law to fill the oversight and accountability void left by the federal government and ensure all New Yorkers are safe from unfair, deceptive, and abusive conduct. Although the City already has a consumer protection law, it is only enforceable by DCWP, its scope does not include workers or small businesses, and it requires the agency to engage in rulemaking before protecting consumers from certain practices.⁸ The Mamdani Administration can deliver New Yorkers from all manner of abuses in short order, and at no cost to the City, by partnering with the City Council to enact a new city law that protects that consumers, workers, and small businesses can enforce directly against companies that break the law through a private right of action.

Banning unfair, deception, or abusive acts or practices is already the national standard for consumer protection.

New York's problem is not a lack of protections, but a lack of enforcement of existing protections. Every state—including New York—and the federal government has a version of a law that bans unfair, deceptive, and/or abusive acts or practices in trade and commerce.⁹ These so-called UDAAP laws vary in terms of scope, but all have roots in the Federal Trade Commission (FTC) Act's ban against "unfair methods of competition in or affecting commerce, and unfair or deceptive acts or practices in or affecting commerce."¹⁰ In 2010, Congress passed the Dodd-Frank Wall Street Reform and Consumer Protection Act, which created the CFPB and banned unfair, deceptive, or abusive acts or practices in the consumer finance industry,¹¹ in recognition that the existing bans on unfairness and deception alone were insufficient to prevent the 2008 financial crisis. UDAAPs intentionally prohibit categories of conduct, rather than specific acts or practices, to provide a flexible standard that can be applied as new fact patterns emerge without requiring additional legislation.¹²

Between these two agencies and statutes, almost every actor in every jurisdiction currently operates under a UDAAP, although without meaningful oversight there is no accountability for misconduct.

For decades, New York State's UDAAP failed to meaningfully plug any oversight holes left by the federal government. Although the law was enforceable by both the Office of the Attorney General and private parties, unlike 42 other jurisdictions, it only prohibited deception, not unfairness or abusiveness.¹³ Although the

State amended its UDAAP in 2025, the amendment expanded only the attorney general's authority, banning unfairness and abusiveness, but failed to carry over these new protections to New York's existing private right of action, and also did not address the law's other limitations.¹⁴

As with DCWP, the Office of the Attorney General cannot address every New Yorker's problems; the attorney general may be the People's Lawyer, but she cannot be every person's lawyer. Without a robust, privately enforceable protection, New Yorkers will continue to be subjected to abusive practices.

By enacting a local law to allow for UDAAP enforcement by private litigants, New York City can protect its residents, workers, and businesses.

The City can enact a municipal law equivalent to the FTC's and CFPB's protections around unfairness, deception, and abuse, and make this law privately enforceable. By mirroring the federal standards, the new law would not create a new standard of conduct with which businesses would have to comply. By making the law privately enforceable, the new law would address limitations in public enforcement and resources. Much like how New Yorkers' federal protections should not depend on whether the federal government chooses to enforce them, New Yorkers' state or local protections should not depend on whether the Office of the Attorney General or DCWP have the resources and personnel sufficient to investigate and prosecute every violation.

A strong local UDAAP must have the following components:

- 1. A broad ban on unfair, deceptive, or abusive acts or practices.** Core to any UDAAP is a prohibition on conduct that undermines faith in the system, takes advantage of consumers, or puts honest brokers on an uneven playing field. The law can directly incorporate the definitions of unfairness, deception, and abusiveness from existing state and federal law to ensure consistency in industry compliance.
- 2. Apply to all trade and commerce, not just traditional "consumer" transactions.** A strong city-level UDAAP must ban all unfair, deceptive, or abusive conduct in all aspects of trade, commerce, or business. To limit its applicability to "consumer" transactions for personal, family, or household purposes leaves workers and small businesses with no recourse. This is especially true of workers across the gig economy and "mom and pop" business owners, who too often find themselves falling between the cracks between traditional "consumer" and "worker" protections. Similarly, the law must apply to private or "one off" transactions and broad patterns and practices equally; there is no policy justification for allowing one New Yorker to suffer just because he or she cannot prove that others have experienced the same misconduct.

- 3. The law must be privately enforceable.** As we're seeing with federal protections, laws are meaningless if they are not enforced. Even with a strong attorney general and DCWP, New Yorkers must be able to enforce their own rights if those rights are to afford meaningful protections. New York City already has several local laws offering consumer or worker protections that can be privately enforced. For example, the Fair Work Week law includes a private right of action,¹⁵ as does the City's law regulating legal process servers.¹⁶ For a private right of action to be practical for low-income New Yorkers, it must also include mandatory fee shifting, so that a defendant found to have committed a UDAAP is required to pay for the plaintiff's legal fees.
- 4. The law should allow for third-party standing.** Too often, consumers and workers experience abusive conduct involving a contract that includes a binding arbitration agreement, precluding them from getting their day in court.¹⁷ One way that a New York City law can ensure justice for these New Yorkers is to allow third parties, such as public interest organizations or unions, to sue on behalf of the public interest to stop ongoing UDAAP violations. As nonparties to the related contracts, these litigants cannot be compelled to arbitration, and so can obtain relief that extends to the public at large. Washington, D.C.'s UDAAP includes a third-party standing provision that has been used to successfully overcome an attempt to compel arbitration.¹⁸
- 5. Relief under the law must be meaningful.** A law meant to address unfair, deceptive, or abusive conduct must be able to make any victim of that conduct whole through restitution and must deter future misconduct through statutory damages and injunctive relief. The state UDAAP currently imposes only a \$50 penalty, which could hardly be considered even a slap on the wrist.¹⁹ A strong local law should impose \$2000 per violation to ensure true behavior change. The law can allow for a pre-litigation notice provision and opportunity to provide damages and cease the unlawful conduct, so that inadvertent violations do not result in costly litigation.

None of these concepts is novel, but they would meaningfully shift the paradigm in New York City for consumers, workers, and small businesses.

Enacting a new UDAAP is preferable to amending the City's existing Consumer Protection Law (CPL) for several reasons. Perhaps most importantly, creating a new law is simpler than amending the CPL, which does not currently meet the criteria listed above. The CPL applies only to consumers,²⁰ cannot be enforced by private litigants,²¹ and only allows for enforcement against unfair or abusive practices that have already been identified as unlawful through rulemaking.²² Although these deficiencies could be resolved through a series of

amendments, that would require unnecessary delays while the agency reviews its past and ongoing matters for any unintended consequences from such amendments. Keeping the CPL and a new UDAAP as legally distinct tools also affords a belt-and-suspenders approach to consumer protection, as if one authority is successfully challenged in court, the other does not necessarily fall with it.

Having two distinct authorities with two distinct enforcers is not unusual: in New York State, the Department of Financial Services—the state-level version of the CFPB—can enforce its own UDAAP focused on the consumer finance industry through the state Financial Services Law,²³ while the attorney general and private parties can enforce the more general UDAAP through the General Business Law.²⁴ Having two complementary laws would increase protections for New Yorkers, and where, as proposed here, the prohibited conduct mirrors federal standards, industry should have no compliance challenge. Indeed, any industry actor that cries foul would be revealing their active noncompliance with federal law.

New Yorkers experience real harms that are currently unaddressed.

Legal services providers across the city regularly hear from people who are in need of assistance due to unscrupulous business practices. These range from New Yorkers who are tricked into paying for unnecessary add-on products by used car dealers,²⁵ to the families of nursing home patients sued by the nursing homes to collect debts for which they are legally not liable,²⁶ to older homeowners who fall victim to deed theft.²⁷

Available data make clear that New Yorkers are suffering. The number of complaints filed with the CFPB by NYC residents increased by 63 percent in 2025 relative to 2024, totalling 184,830 in 2025.²⁸ This increase was not evenly distributed across the city: the Bronx saw a 71 percent increase, Queens a 68 percent increase, Manhattan a 65 percent increase, Staten Island a 56 percent increase, and Brooklyn a 52 percent increase.²⁹ At the same time that the number of complaints to the CFPB increased across the city, the number of complaints from NYC that were resolved and included relief to consumers fell by approximately 10 percentage points.³⁰

Workers in New York also need stronger protections against misconduct, including abuses in the workplace that range from overreaching non-compete agreements to worker surveillance by employers.³¹ Gig workers are particularly vulnerable to exploitation, and generally have fewer options for recourse than traditional employees.

In addition to these well-established practices and scams, all New Yorkers—consumers, workers, and small businesses—face the shared risk that Artificial Intelligence poses. In light of the federal government's

attempts to preempt the AI industry from state oversight,³² it is especially important that New York City have a strong and robust consumer protection law, which as a law of general applicability, can be used to combat misconduct as it arises from the misuse of AI and similar technology. The City does not need to know exactly what shape these emerging risks will take to equip its residents with tools they can use to protect themselves from future harms.

Conclusion

Now is the time for New York City to act. The federal government's primary UDAAP enforcement agencies, the CFPB and FTC, are being gutted and have rolled back protections. The state legislature just enhanced the Attorney General's consumer protection authority, but declined to enhance the law that individual New Yorkers can enforce themselves, and DCWP's consumer protection law is limited in scope and can only be enforced by the City, which leaves consumers, workers, and small businesses subject to the government's staffing constraints and bandwidth. At the same time, we are in an affordability crisis. Price gouging is on the rise and consumers are filing record numbers of complaints about predatory business practices. Enacting a new consumer protection law that New Yorkers can use to enforce existing standards for fair dealing is a common-sense, budget-smart way for the Mamdani Administration to promote a just economy for all.

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AFFORDABLE NYC NOW: MAKING GOVERNMENT WORK

PROTECT 
BORROWERS

THE CENTURY 
FOUNDATION

Introduction

Every time a New Yorker gets caught in a bureaucratic web while seeking city assistance, pays a fine they couldn't afford, or goes without a benefit for which they never knew they qualified, they lose trust in their government. When problems go unaddressed due to agency budget or staffing limitations, New Yorkers pay the price. A city committed to affordability must also be committed to making its own systems work better.

This section presents proposals for improving how city government functions—strategically deploying services and resources, reducing bureaucratic friction, and identifying and leveraging potential revenue streams. Many of these changes require no new legislation, adopt a common-sense approach to policymaking, and offer the Administration a blueprint for accomplishing commitments it has already made.

Making New York City affordable means building a government that treats people's time and money with the same respect it asks of them, and that can efficiently deploy its limited resources.

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Senior Fellow, Protect Borrowers

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MAKING GOVERNMENT WORK BY MONITORING FINANCIAL DISTRESS

MAPPING CONSUMER DEBT-DRIVEN FINANCIAL
DISTRESS IN NEW YORK CITY

Carolina Rodriguez

Director, Education Debt Consumer Assistance Program (EDCAP)
Community Service Society of New York

Hidden financial distress: rising consumer debt is driving uneven economic vulnerability across New York City.

An increasing number of households in New York City are experiencing increased financial instability that is driven by the growing burden of consumer debt. While overall debt-to-income ratios in New York remain relatively manageable compared to other states,¹ this aggregate measure masks significant and worsening distress at the household and neighborhood level. Rising credit card balances, increasing auto loan delinquencies, and the reemergence of student loan repayment obligations have placed new pressure on already financially vulnerable New Yorkers.²

Recent data show that delinquencies are rising across debt types, with 4.8 percent of household debt now delinquent, and increases in serious delinquency for credit cards, mortgages, and student loans.³ These trends are concentrated among lower-income households and in historically under-resourced communities, where residents are more likely to rely on high-cost credit and less able to absorb economic shocks. As a result, financial distress is not evenly distributed. It is clustered geographically, particularly in communities of color, reflecting longstanding inequities in income, wealth and access to affordable financial products, even as it remains largely obscured in citywide averages.⁴

In New York City, residents in communities of color are significantly more likely to have subprime credit scores, limiting access to lower-cost borrowing and increasing reliance on high-interest credit products.⁵ National data show that 42 percent of borrowers in predominantly non-White communities have debt in collections, compared to just 26 percent in predominantly White communities, underscoring stark disparities in financial vulnerability.⁶

Current policy approaches rely heavily on income-based indicators, such as poverty rates and employment levels, which fail to capture these dynamics. While important, these measures do not reveal the real-time financial pressures households face as they manage multiple forms of debt. As a result, the City lacks a comprehensive, neighborhood-level understanding of where debt-driven financial distress is most acute and which forms of debt are driving instability.

Neighborhoods with similar median incomes, for example, can experience dramatically different levels of financial vulnerability depending on factors such as debt burden, credit utilization, delinquency rates, and exposure to collections. Without incorporating these dimensions, the City lacks visibility into where financial distress is actually occurring and how it is evolving over time.

This gap limits the City's ability to:

- Identify early warning signs of financial instability
- Target financial counseling, debt relief, and outreach programs effectively
- Prevent cascading outcomes such as eviction, job disruption, vehicle lost, and long-term credit damage

As a result, policy responses are often reactive, addressing crises after they emerge, rather than preventative. Moreover, the absence of a standardized, data-driven framework makes it difficult to measure program impact or allocate resources equitably, and limits the effectiveness of financial counseling, consumer protection enforcement, and borrower relief efforts.

Without a more precise, data-driven framework to measure and map financial distress, New York City risks misallocating resources and missing opportunities to prevent crises such as eviction, default, and long-term financial exclusion, particularly among low-income communities and communities of color.

Creating a Consumer Debt Distress Index (CDDI)

To address this gap, this proposal recommends the creation of a ZIP code-level Consumer Debt Distress Index (CDDI) to map and monitor financial distress across New York City.

The CDDI can integrate key indicators of financial vulnerability, including:

- Debt burden relative to income
- Delinquency and default rates across debt types
- Credit utilization and accounts in collections
- Exposure to high-risk or high-cost debt products

These components can be combined into a composite index, generating a granular, neighborhood-level map of financial distress that identifies both the severity and drivers of economic vulnerability.

To further strengthen its policy relevance, the CDDI should incorporate age-disaggregated insights, enabling analysis of financial distress across key population groups—particularly working-age adults and older adults. This added dimension will allow the City to identify distinct patterns of vulnerability, such as student loan and credit card stress among younger adults or fixed-income and medical-related debt burdens among older residents.

Incorporating age-based analysis will support more precise and tailored interventions, helping agencies design strategies that reflect the specific financial risks, income dynamics, and support needs of different populations, and ensuring that outreach, counseling, and relief efforts are aligned with the lived experiences of New Yorkers across the life course.

Current financial counseling, consumer protection enforcement, and outreach efforts are constrained by limited geographic targeting and incomplete data infrastructure. Existing approaches typically rely on:

- Income and poverty measures
- Citywide or borough-level data
- Program participation metrics rather than underlying financial stress

Aggregate indicators often obscure localized pockets of distress within otherwise prosperous areas. Without neighborhood-level insights into debt burden, delinquency, and credit health, the City cannot fully align resources with need. The CDDI addresses these shortcomings and offers a place- and consumer-based targeted alternative strategy.

Implementation Through Executive Action

The City can implement this initiative through Mayoral executive action, ensuring rapid deployment and strong cross-agency coordination. Specifically, the Mayor can issue an Executive Order directing the development of a citywide financial distress mapping system and establishing the CDDI as an interagency priority aligned with the City's affordability and economic mobility goals. This directive would formalize collaboration across key agencies and ensure accountability in building a comprehensive, data-driven framework to identify and address neighborhood-level financial distress.

The Department of Consumer and Worker Protection (DCWP) has the track record and subject-matter expertise to lead this initiative, and could collaborate closely with the Federal Reserve Bank of New York and relevant City agencies—including the NYC Office of the Comptroller, the Mayor's Office of Economic Opportunity, the Department of Housing Preservation and Development, the Human Resources Administration, and the Mayor's Office of Data Analytics—as well as external research partners, to support data integration, analysis, and implementation. Community-based organizations would play a critical role in validating findings and supporting targeted outreach.

To maximize the CDDI's utility, the City should develop a public-facing, interactive dashboard that maps financial distress at the ZIP code level, providing a dynamic and accessible tool for policymakers, agencies, and community stakeholders. The dashboard will display:

- Distress levels across neighborhoods
- Key drivers of debt distress by ZIP code (e.g., credit cards, student loans, auto loans)
- Trends over time to identify emerging risks and improvements

In addition to citywide visualization, the platform should allow users to filter and aggregate data by City Council district, borough, and other administrative boundaries, enabling elected officials to better understand financial conditions within their constituencies. The City should also produce regular briefing reports and district-level summaries tailored for elected officials, agency leaders, and community partners.

This approach will promote transparency, support data-driven decision-making, and equip policymakers and community-based organizations with actionable insights to more effectively target services, outreach, and interventions in the communities most in need.

This initiative will enable New York City to:

- Target financial counseling and outreach to the highest-need neighborhoods
- Direct debt-relief efforts where borrowers are most vulnerable
- Strengthen consumer protection enforcement in high-risk areas
- Improve cross-agency alignment, connecting debt distress data to housing, workforce, and public benefits programs

Most importantly, it will allow the City to shift from a reactive to a preventative policy approach, identifying risks early and intervening before financial instability escalates into crisis.

CDDI Case Study: Student Loans

The student loan debt crisis serves as a case study for mapping distress and targeting resources to provide critical relief. Within the City, student loan outcomes reflect similar inequities. Predominantly minority neighborhoods experience higher rates of student loan default, tied to systemic disparities in educational access, labor market outcomes, and wealth accumulation.⁷ Nationwide, including in New York, student loan borrowers are experiencing unprecedented levels of delinquency and defaults.⁸

In the past, the City has mapped student loan distress and issued population-specific reports on student loan borrowers as a tool for delivering resources to at-risk New Yorkers.⁹ These efforts allowed the City to deploy financial counselors and free legal assistance to communities with the greatest need, delivering resources that were bespoke to the problem. Through the CDDI, the City could do the same with all types of financial distress that New Yorkers face.

Connection to Affordability, Economic Justice, and Racial Justice

Consumer debt distress is fundamentally an affordability issue. As the cost of living in New York City continues to rise, many households rely on credit, both traditional credit such as credit cards and loans, and more frequently, Buy Now Pay Later and Payroll Advance types of products¹⁰ to cover essential expenses such as

housing, healthcare, and transportation. When debt becomes unaffordable due to high interest rates, rapidly increasing balances, or unstable incomes, households can become trapped in cycles of repayment that undermine long-term financial stability.

This issue is also central to economic justice. Credit health influences access to foundational opportunities. A borrower's credit profile can determine their ability to:

- Secure stable housing
- Access employment opportunities
- Obtain affordable insurance, utilities, and financial products

As such, debt-driven financial distress can limit upward mobility and reinforce broader inequality.

The issue is deeply tied to racial justice as well. Structural disparities in wealth, credit access, and income mean that Black and Latino New Yorkers are more likely to experience high-cost borrowing, lower credit scores, and aggressive debt collection practices. These inequities reflect systemic barriers that continue to shape financial outcomes across generations.¹¹ The CDDI would therefore serve as a tool to advance the Administration's commitment to affordability and economic and racial justice.

Conclusion

The challenge facing New York City is not simply the amount of debt residents carry, but how that debt is distributed, structured, and experienced across communities and across the life course. Aggregate economic indicators obscure deep disparities in financial vulnerability, particularly among low-income households, communities of color, and different age groups, masking the uneven ways in which debt burdens and financial risks are felt across the city.

A neighborhood-level understanding of consumer debt distress is essential to advancing affordability, promoting economic mobility, and addressing persistent racial and economic inequities. By establishing a Consumer Debt Distress Index through executive action, the City can equip itself with a powerful tool to identify need with precision, anticipate risks, and deliver more targeted, equitable, and effective policy responses.

This proposal offers a clear and achievable path forward: one that transforms fragmented data into actionable insight, and insight into meaningful impact. By investing in a more comprehensive and data-driven understanding of financial distress, New York City can better protect its residents, strengthen household stability, and ensure that all communities—across incomes, neighborhoods, and age groups—have a fair opportunity to achieve long-term financial security.

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MAKING GOVERNMENT WORK FOR DEED THEFT VICTIMS

TAXING ILL-GOTTEN RICHES: USING THE CITY'S
REAL PROPERTY TAXING AUTHORITY TO END DEED
THEFT

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Deed theft continues to plague New York City neighborhoods, as existing protections do little to prevent fraudulent transactions.

Communities across New York City continue to be plagued by deed theft, a fraudulent transaction in which a deed thief causes a homeowner to transfer title to their property in order to strip home equity. Such schemes tend to proliferate when property values increase greatly in areas where homeowners have limited income and face affordability issues related to their home ownership. Deed theft strips mostly Black and brown New Yorkers of their equity and wrest away homes that may have been in the family for generations. This type of scam, long endemic in New York City neighborhoods experiencing gentrification, has been on the rise as property values have increased across New York City and New York State. In April 2026, the New York Office of the Attorney General reported a 240 percent increase in complaints related to deed theft from 2023 to 2025.

Deed theft can take different forms, but in the most basic and common form, the deed thief induces the homeowner, who may be at risk of losing their home due to a mortgage default or tax lien, to sign papers transferring title to the home to a straw buyer. The straw buyer then uses title to take out a new mortgage from a lender; usually this loan is taken out at the same closing in which title is transferred. The proceeds from the new mortgage are then used to “clear” the title to the property—that is, pay off the previous mortgage loan or tax lien that threatened homeownership. The deed thief arranges to receive the remaining proceeds.

Another equity stripping scheme closely related to deed theft involves “tangled titles,” in which scammers locate the heirs of a homeowner who dies without a will—or even the heirs’ heirs—and convince individual fractional owners to sell their portion of the property. Once in possession of these fractional interests, the scammers can attempt to force a sale of the property, sometimes through a partition action, in order to realize a windfall profit on their interest.

Many homeowners duped into these transactions do not even learn that they have lost their properties until years later, sometimes when they are sued in housing court to be evicted from their own family home. These scammers also hide behind limited liability corporations (LLCs), which makes tracking and shutting down their operations nearly impossible.

Although existing New York State law affords some defrauded homeowners the right to reclaim their title, this procedure takes place after the fact—and so does not prevent deed theft—and places the onus on individual homeowners to meet the high bar of demonstrating that the transaction should be unwound due to fraud. And,

even a deed theft victim who is able to obtain cancellation of the deed and mortgage might still have to pay the original amount owed to the scammer's lender in order to avoid foreclosure. Generally, the homeowner has fallen victim to a deed thief precisely because they cannot pay the original mortgage. Thus even successful advocacy on behalf of a deed theft victim may result in loss of the home.

New York City can prevent deed theft by making it harder to profit from fraudulent transactions.

Combatting deed theft locally requires a three-tiered approach. First, the city should use its recording and real property taxing authority to make deed theft unprofitable by imposing an enhanced real property transfer tax (RPTT) on suspicious transactions, as well as stringent documentation requirements for the RPTT returns if the grantee would like to be exempt from this enhanced tax. Second, the city should use this same authority to impose an enhanced mortgage tax on lenders that finance transactions that are suspected of deed theft with an exemption for lenders that can meet stringent documentation requirements showing that they investigated transactions to confirm that they were bona fide. These first two proposals operate by making deed theft or the sale of a stolen deed cost prohibitive for the deed thieves and their financiers, with exceptions for transactions that do not involve a stolen deed. And third, the city should make it easier for homeowners to resolve municipal debts and liens, so that homeowners are less susceptible to scams and deed theft.

Although deed theft and equity-stripping scams come in different forms, and are ever-evolving, the most common deed theft scams involve the transfer of residential real property to or from LLCs and other business entities. The heightened recording requirements for deeds and mortgages, therefore, will be limited to transfers of one- to four-family residential real property and condo units to LLCs and other business entities.

Although these proposals require legislation to amend the NYC Administrative Code, they align with the Mayor's campaign commitments and policy goals. A powerful way for the Mamdani Administration to commit to protecting vulnerable homeowners during the ongoing affordability crisis would be to champion these policies with the City Council. These proposals would also afford the Office of Deed Theft Protection an opportunity to investigate potential deed theft before title is stolen, so that the Office can prevent the deed thefts from happening in the first place, rather than be limited to investigating deed thefts after they have occurred.

Imposing an Enhanced Real Property Transfer Tax on Transfers That Are Suspected of Deed Theft

The City should amend the RPTT to impose a confiscatory tax on transfers of residential real property to LLCs or corporations unless the LLC or corporation can demonstrate that it has not acquired the property by deed theft. If implemented, this would prevent fraudulent transactions from being recorded and completed by eliminating the financial incentives for scammers. The City can do this by taking the following measures:

1. Expand the scope of the covered LLCs that are subject to disclosure when filing a RPTT return.

NYC Administrative Code Section 11-2105(h) already provides that an LLC must disclose its members when it is “the grantor or grantee of a deed for a building used as residential real property containing up to four family dwelling units.” The City should amend the scope of this section to cover other business entities, in addition to LLCs, and to cover condominium units as well.

2. Impose a 100 percent RPTT on these transfers.

The City should amend Section 11-2102 to impose a Deed Theft Tax on transfers of residential real property by natural persons to an LLC or other business entity. That tax would be 100 percent of the fair market value of the property, and it would be imposed on the grantee LLC or other business entity.

3. Exempt LLCs and other business entities from the 100 percent RPTT if they attach documentation to the RPTT return demonstrating that the deed was not stolen.

The City should amend the RPTT to add a new Section 11-2105(h)(1) to prescribe the specific requirements to qualify for an exemption from the Deed Theft Tax. These documents would be attached to the RPTT return in which a natural person transfers real property to an LLC or other business entity. These requirements would include: (a) an affidavit signed by a U.S. Department of Housing and Urban Development (HUD)-certified housing counselor that the grantor met with the counselor to discuss the transfer; (b) a form signed by the Office of Deed Theft Prevention that it has investigated the transaction and has not found indicia of deed theft; and (c) a form, prescribed by the Department of Finance, describing in laymen’s terms the nature of the transaction, consideration, fees and costs, and application of payments, to be signed by the grantor.

Furthermore, should the registrar later determine that the property was transferred as a result of deed theft, the City should be able to require the LLC or corporation, and its beneficial owners, to pay the Deed Theft Tax with interest and penalties. Given that in these circumstances, the transaction was fraudulent, the scammer would almost certainly not pay the Deed Theft Tax. When the LLC or other business entity fails to do so, the City should be authorized to commence a foreclosure action for the unpaid tax and provide the homeowner with the right to purchase the property at auction for a nominal amount, such as one dollar.

4. **Promote transparency for the LLCs and other business entities that acquire residential real property.**

In addition to these heightened RPTT return requirements, any deed transferred to an LLC or other business entity should list the actual amount of the consideration provided and should identify the natural persons who own the LLC or business entity. Additionally, the City should license these LLCs and other business entities to ensure that they are not engaged in fraud. This could be operated through the Department of Consumer and Worker Protection and would include: (a) requiring the LLCs and other business entities to disclose their members and/or owners and, if those members and/or owners are LLCs or business entities, the ultimate natural persons who own the interest; (b) an organization chart for the business; (c) a business plan; (d) an accounting of the LLC or other business entity's income and expenses; and (e) an accounting of its transactions or proposed transaction and related financing. Failure to comply with this licensing requirement would provide homeowners faced with a foreclosure action or eviction initiated by a deed thief with a defense under New York State Civil Practice Law and Rules sections 3015(e) and 3211(a)(7). Furthermore, the registrar should require a member of the LLC or other business entity to physically file the deed in-person, and the registrar and the Department of Finance, through the Office of Deed Theft Prevention, should have the authority to review proposed transactions and interview that person.

Imposing an Enhanced Mortgage Tax on Loans That Scammers Use To Finance Suspected Deed Theft

The City should impose a confiscatory tax on mortgages that are secured by real property that was transferred from a natural person to an LLC or other business entity unless the lender can demonstrate that the borrower has not acquired the property by deed theft. The City can do so by taking the following measures:

1. **Impose a 100 percent mortgage tax on loans to LLCs or other business entities that acquired the underlying residential real property from a natural person.**

The City should amend NYC Administrative Code Section 11-2601, which already imposes a tax on mortgages, to impose a 100 percent tax on mortgages (the "Deed Theft Financing Tax") in which the borrower is an LLC or other business entity that acquired the underlying residential real property from a natural person. That tax would be imposed on the lender.

2. Exempt lenders from the Deed Theft Financing Tax if they provide documentation demonstrating that the underlying deed securing the loan was not stolen.

The City should further amend Sections 11-2601 through 11-2604 to prescribe the specific requirements to qualify for an exemption from the Deed Theft Financing Tax. These requirements would include: (a) an affidavit signed by the lender stating that they spoke with the HUD-certified housing counselor to confirm that the counselor met with the grantor to discuss the transaction; (b) an affidavit signed by the lender stating that they confirmed with the Department of Finance that it has investigated the transaction and has not found indicia of deed theft; and (c) that it reviewed the form, prescribed by the Department of Finance, describing the nature of the transaction, consideration, fees and costs, and application of payments, and that it confirmed with the grantor that the grantor has received and reviewed the form.

As with the Deed Theft Tax, should the registrar later determine that the underlying property was transferred as a result of deed theft and that the lender was not a bona fide encumbrancer for value, *i.e.*, they did not finance the transaction in good faith, the City should be able to require the lender to pay the Deed Theft Financing Tax, with interest and penalties, to a fund the City will maintain to compensate victims of deed theft. Homeowners would qualify for a disbursement from the fund if they transferred their property to an LLC or other business entity that received financing from a lender that was later required to pay the Deed Theft Financing Tax, and in an amount not to exceed that tax.

Reducing the Burden on New Yorkers To Resolve Municipal Debts

One driver of deed theft is the difficulty homeowners encounter in resolving property tax arrears, water debt, and liens for emergency repairs. These unpaid bills become liens on the property and will appear on tax lien sale lists when the City sells the tax liens, which effectively hands to scammers a list of potential targets. Even more fundamentally, the City should strive to reduce these delinquencies by streamlining the process for applying for various exemptions and payment plans.

1. End the tax lien sale program for one- to four-family residential real property and condominiums.

Although the City has recently overhauled the tax lien sale program, to ensure that these liens will be sold to an as-yet unformed land bank,¹ it would be better still to simply end the tax lien sale program altogether for one- to four-family residential real property and condominium units. Even with a sale to a land bank, homeowners are at risk of losing their homes for liens that could be paid in full when

the property is eventually sold by the homeowner or their family, on their own timeline. Even though this delays collection, the City would still be made whole and the homeowner could remain in the home. Ending the tax lien sale program would also benefit the City, as the tax lien sale program has a disproportionate effect on majority Black and Hispanic neighborhoods.²

The City should therefore amend NYC Administrative Code Section 11-319 through 11-322 to simply end the tax lien sale program for one- to four-family residential real property and condominium units, and provide that the unpaid liens are to be paid when the home is sold or title is transferred, including upon death of the homeowner. At minimum, the City should amend Section 11-320 to prohibit the City from publishing the list of tax liens to be sold at auction, and to instead authorize the Department of Finance to share this list with approved nonprofit legal service providers and housing counseling agencies to help homeowners resolve their liens.

2. Expanding the scope of hardship installment agreements to include water debts and debts for emergency repairs.

Currently, a homeowner can only enter into a hardship installment agreement for unpaid property taxes.³ The City should amend NYC Administrative Code Section 11-322.1 to include water debts, debts for emergency repairs, and any other municipal debts that can become a foreclosable lien on the property.

3. Ease the application process for hardship installment agreements for heirs.

While heirs with tangled titles are eligible for hardship installment agreements, the NYC Administrative Code makes such agreements difficult to obtain for heirs who do not hold consolidated title. For example, NYC Administrative Code Section 11-322.1 ties eligibility to the combined income of all property owners. Where title is tangled, some owners may be out of state and have limited or no contact with the property owner who actually lives in and maintains the home. Accordingly, this section should be amended to condition eligibility to the combined income of only property owners who reside in the property.

4. Ease the property tax exemption process for heirs.

Similarly, although heirs are eligible for the Senior Citizen Homeowner Exemption (SCHE) and the Disabled Homeowners Exemption (DHE) property tax exemption programs, owners of heirs property are unlikely to qualify for these exemptions. To be eligible for SCHE or DHE, all property owners must

meet the eligibility criteria unless the owners are siblings or spouses. If title is tangled, the eligibility criteria are extremely unlikely to be met by all the heirs. The City should amend NYC Administrative Code Sections 11-245.3 and 11-245.4 to consider the age and disability status of resident heirs only.

Overall, these measures are novel. While other jurisdictions have attempted to address deed theft through outreach and education, which are salutatory, this proposal would cut to the heart of the problem by attacking the financing for these scams and eliminating scammers' financial gain. Moreover, the City can readily adopt these proposals at minimal cost. The proposals to expand the hardship installment plan programs may yield greater revenue if more homeowners who are not otherwise able to pay enter into these plans, while the proposal to expand the property tax exemptions will reduce revenue, which would somewhat offset one another. Cancelling the lien sale would be revenue neutral compared to years in which the City declines to hold a tax lien sale.⁴ Given that the City is transitioning the lien sale program, it is difficult to determine how much revenue the City would lose, if any, from cancelling the lien sales altogether for one to four family residential real property. And while it may be necessary to hire additional personnel into the Office of Deed Theft Prevention to investigate these transactions, this could be offset by charging a processing fee to LLCs and business entities seeking an exemption to the Deed Theft Tax.

Because the victims of deed theft are often unaware that their deeds have been stolen, it is often difficult to measure the frequency of these scams and, therefore, it will be difficult to measure their decline should the City adopt these measures. That said, any decrease in the number of transfers of residential real properties to LLCs and other business entities would strongly suggest a decrease in deed theft. Given that these amendments would require homeowners to meet with housing counselors, those counselors may be able to provide a more qualitative assessment about whether an increasing number of homeowners are reaching out to them before they've transferred their deeds and, generally, how these matters are being resolved.

Conclusion

Deed theft has been a scourge in part because no city or state has attempted to tackle the financial drivers for this scam. Outreach and education can only go so far. It is difficult to reach homeowners before their deeds are stolen, and even if the City could reach every homeowner susceptible to deed theft, it still would be met with limited success because scammers often rely on homeowners' vulnerabilities and build false confidence with them through a host of unfair, deceptive and abusive techniques. Rather than ask more of the homeowner—to be ever more vigilant in a world of increasingly sophisticated scams—we should ask more of the City to hold scammers to account. Specifically, a business entity should pay a confiscatory transfer tax if it cannot show that the transfer is bona fide. Similarly, a lender should pay a confiscatory mortgage tax if it refuses to do basic due diligence and funds a loan that bears the hallmarks of a deed theft. Better than a world of informed consumers able to navigate around scams is one where the City stamps out the scams in the first place.

Endnotes

- 1 Local Laws 56, 65, and 62 of 2026.
- 2 Report, *New York City's Tax Lien Sale: History, Outcomes, and Alternatives*, New York City Independent Budget Office (Apr. 2026), <https://www.ibo.nyc.gov/assets/ibo/downloads/pdf/taxes-and-other-revenues/2026/2026-april-nycs-tax-lien-sale.pdf>.
- 3 NYC Admin. Code Section 11-322.1.
- 4 The City did not conduct lien sales in 2020, 2022-2024 and 2026.

MAKING GOVERNMENT WORK FOR IDENTITY THEFT VICTIMS

EXPANDING ACCESS TO JUSTICE FOR
ECONOMICALLY MARGINALIZED AND VULNERABLE
NEW YORK CITY IDENTITY THEFT VICTIMS

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NYPD personnel systematically refuse to provide identity theft police reports to victims of identity theft.

New York City Police Department (NYPD) personnel systematically refuse to provide identity theft police reports to victims, preventing them from obtaining relief from the far-reaching consequences of identity theft and achieving financial security.

In our increasingly technological society, identity theft is surging.¹ New York State ranks twelfth in the nation in identity theft, and in 2024, New Yorkers reported 58,692 identity theft cases to the Federal Trade Commission (FTC).² This crime disproportionately impacts NYC's most marginalized communities, including people with low income/low wealth, people of color, immigrants, people with disabilities, seniors, and domestic violence survivors.³ Identity theft causes enduring hardship:⁴ debt collection, state court lawsuits, judgment enforcement, and ruined credit overwhelm and consume victims for years.

State and federal law provide remedies for victims of identity theft, but to access these remedies, victims often need a report from law enforcement.⁵ Unfortunately, for too many New Yorkers, such a report is virtually impossible to obtain. Many NYPD personnel will not take nor provide the victim's police report, instead demanding additional documentation or telling victims that what happened to them was not a crime. In other cases, personnel may take the report, but the victim is then unable to obtain a copy.

Without an identity theft police report, victims cannot defend against debt collection actions or get fraudulent accounts removed from their credit reports. Victims languish, unjustly, for years, with negative information staying on credit reports—preventing victims from accessing housing and credit of their own—and with creditors enforcing judgments against the income that victims need to survive.⁶

NYPD must train its personnel and require them to provide identity theft reports in compliance with NYS law.

The NYPD must implement oversight processes so that victims of identity theft are able to defend against debt collection actions and have fraudulent accounts removed from their credit reports.

Current Law and Practice

New York Executive Law § 646 provides that an identity theft victim “may make a complaint to the local law enforcement agency of the county” where the identity theft took place or where the financial harm was suffered, and that the “local law enforcement agency shall take a police report of the matter and provide the complainant with a copy of such report free of charge.” Identity theft and related crimes are clearly defined in the NY Penal Code at Article 180.

Separately, the NYPD Patrol Guide defines a complaint as an “*allegation*” of unlawful or improper conduct that necessitates investigation to determine if an unlawful or improper act actually occurred.⁷ An identity theft complaint can be taken by any member of the service and then referred to a desk officer and detective for review and investigation.⁸ Reporting criteria are contained in the Crime Complaint Reporting System Reference Guide, which, unfortunately, is not publicly available.⁹ But the Patrol Guide makes clear that investigation is not required before a complaint can be recorded.¹⁰ And at a joint hearing by the New York City Council’s Committee on Aging and Committee on Public Safety, NYPD Deputy Chief Julie Morrill, of the Quality Assurance Section, testified that additional documentation is not required for a complaint of identity theft to be taken—investigation happens afterwards.¹¹

Notwithstanding their state law mandate and internal policy, NYPD personnel still often refuse to take identity theft reports.¹² Instead, they deflect in a range of ways, claiming the identity theft is a civil or family matter, directing the complainant to go to another precinct, or demanding additional documentation that is impossible to get for a person who did not open the account in question.¹³ Sometimes personnel intimidate victims to dissuade them, often with a discriminatory dimension. Domestic violence survivors are frequently told that the identity theft committed by their abusers was not a crime because they were married at the time.¹⁴ One client of CAMBA Legal Services, Inc., a Spanish-speaking immigrant with a history of trauma, was taken to an interrogation room when she tried to make an identity theft report, and threatened in Spanish with arrest for perjury. Another client, an immigrant from China, was told that “identity theft is a Chinese problem,” and that the police could not help him. Even individuals who are able to make a report face additional obstacles: some

reports do not contain information such as credit account numbers or balances, even when the victim reported that information. Some reports only state the balance without interest and fees, even though the creditor seeks to hold the victim liable for those charges and they are the direct result of the identity theft.¹⁵

Often, victims cannot get a copy of the police report. In advocates' experience, obtaining a police report for identity theft is a multi-step process, involving filing the complaint at a precinct and receiving a "receipt" or being told to call back later for the number, and separately requesting and receiving the actual police report of identity theft. But many victims are not told it is possible to get a more comprehensive report than the receipt, while others get the runaround when they try to call back for the number, and still others are unable to get a copy despite their best efforts.

Recommendations for Reform

First, officers should receive training underscoring: (1) the definition of identity theft under the penal code and what factual circumstances meet that definition; (2) that documentation is not necessary to report identity theft; and (3) the level of detail that should be included in an identity theft police report so that victims can obtain relief, including account numbers and account balances, if the complainant has that information. Training should be trauma-informed and should also discuss the pervasiveness of identity theft, the targeting of marginalized communities, and the methods by which identity theft is perpetrated.

Second, NYPD's Quality Assurance Initiatives division should implement mechanisms to determine whether identity theft reports are actually being taken. These should include a publicized, easily accessible grievance and escalation process for victims who face problems getting a report, and procedures for regular oversight and resolution of these grievances.

Third, the New York City Mayor's Office of Criminal Justice (NYC MOCJ) should produce Know Your Rights materials for victims of identity theft that are posted online and in all police precincts explaining what identity theft is and how it can be reported. Materials should include information about how victims can address identity theft, similar to existing materials issued by the FTC and the New York State Attorney General, but more specific and tailored to New York City residents. NYC MOCJ should undertake a public information campaign to broadly publicize the assistance that victims can get through NYC MOCJ.

Fourth, the process of obtaining a copy of an identity theft report should be streamlined. Once a report is taken, a copy of it should be automatically provided to the complaining victim by the means they identify as most convenient—and most secure—for them. This could be by mail, email, and/or secure online portal. This

would significantly reduce the barriers for victims, who might otherwise be dissuaded by the extensive steps required to obtain a copy.

One persistent obstacle to the taking of identity theft reports is the view by precincts that identity theft is an unsolvable crime. The Mayor's Office and NYPD should work together to address that concern as part of any overhaul. We recommend that precincts be permitted to separately report identity theft crimes so they are not included in overall crime statistics to remove the potential disincentives to taking identity theft reports.

These policy changes would address the systemic problem identified here for all NYC residents and could be immediately adopted. The Mayor could issue an executive order outlining the proposed recommendations and reforms, followed by introduction of a bill in the City Council that would mandate the proposed recommendations in local law in order to sustain and institutionalize the reforms. The Mayor's Office should give due consideration to a legal enforcement mechanism for identity theft victims to ensure compliance with the recommended mandates.

The budgetary action needed to implement the proposed recommendations and reforms would be relatively minimal. Costs would include:

- Developing a training curriculum and implementing training for NYPD personnel related to identity theft and the taking of identity theft police reports.
- Developing quality assurance processes to assess compliance with the rules and directives around the taking of identity theft reports.
- Developing NYPD guidance and directives on identity theft and the taking of identity theft police reports.
- Developing procedures to streamline the process by which victims obtain copies of identity theft reports.
- Developing a public information campaign on identity theft and how victims can obtain identity theft police reports.

NYPD is the principal city agency involved in implementing the proposal. However, the New York City Mayor's Office of Criminal Justice, the Mayor's Office to End Gender-Based Violence, the New York City Department of Consumer and Worker Protection, and New York City Department for the Aging should all have an opportunity to help design and implement the recommendations and reforms outlined in the proposal.

Prior Reform Efforts

Over the last several decades, stakeholders in NYC and beyond have sought workarounds and improvements to the identity theft reports problem, with little success.

The FTC created a process for identity theft victims to make a report online under penalty of perjury, called the FTC Identity Theft Report.¹⁶ Federal guidance makes clear that this report is a law enforcement report and should be sufficient grounds for a victim to obtain relief, and the FTC has issued a memorandum to law enforcement explaining the importance of the separate identity theft police report and instructing law enforcement personnel to provide victims with an “Identity Theft Report,” composed of the police report with the victim’s FTC ID Theft Complaint attached or incorporated.¹⁷ Unfortunately, law enforcement personnel rarely do so.¹⁸ In addition, advocates have helped clients obtain alternate identity theft reports through, for example, the Federal Bureau of Investigation’s Internet Crime Complaint Center and the United States Postal Inspection Service. But credit reporting agencies and creditors routinely reject all these reports, instead demanding a local police report.¹⁹

In 2017, consumer advocates from thirteen legal services organizations wrote to the NYPD Commissioner describing the problem and NYPD’s legal obligation to provide police reports to identity theft victims.²⁰ The NYPD never responded. Additional advocacy efforts led to one meeting between the Mayor’s Office to End Gender-Based Violence, consumer advocates, and the NYPD. No systemic reform came out of any of these advocacy efforts.

Starting in 2018, CAMBA Legal Services obtained funding from the New York State Office for Victim Services to provide legal services to victims of crime, including identity theft victims. CAMBA paralegals began accompanying identity theft victims to police precincts to help them secure identity theft police reports and witnessed firsthand how difficult it is to obtain a report. Paralegals often had to visit the precinct multiple times, spend hours waiting, and advocate with detectives and officers—but even with this extraordinary advocacy, they still did not achieve universal success.

Most recently, in 2024, CAMBA Legal Services and the Feerick Center engaged in joint advocacy efforts with the NYC Council regarding NYPD’s widespread and longstanding refusal to provide identity theft police reports to victims. This led to NYC adopting Local Law 35 of 2025 (formerly Int. 1101-2024), which requires the NYPD to post information about identity theft on its website and provide training to NYPD personnel on responding to and investigating suspected identity theft.²¹ To our knowledge, NYPD has yet to comply with Local Law 35 of 2025. A search for “identity theft” on the NYPD website on April 27, 2026, yielded limited information.²²

Also in response to advocates' outreach efforts, the Quality Assurance Section of the NYPD began conducting precinct-specific training on the taking of identity theft reports in response to advocate complaints on behalf of clients, but the problems remain widespread.

Measuring Success

The success of these reforms could be measured in a variety of ways:

- NYC could survey consumer law advocates on an annual basis to assess whether the NYPD is effectively implementing the proposed recommendations and reforms.
- NYC could establish a complaint process for individual identity theft victims that is easily accessible and would enable the NYPD to monitor complaints and trends.
- NYC could conduct regular evaluations of the proposed recommendations and reforms, via quality assurance mechanisms, audits, investigations, or spotchecking of practices in precincts throughout the city.

Conclusion

NYPD personnel systematically refuse to provide police reports of identity theft victims, many of whom are people of color, immigrants, people with disabilities, and people with low wealth/low incomes. This widespread practice is often discriminatory and prevents victims from obtaining relief from identity theft, leading to financial hardship and barriers to building savings and accessing credit. The reforms described above would meaningfully address this problem and would give identity theft victims a critical resource they need to undo the consequences of the crime committed against them, and achieve financial security.

Endnotes

- 1 See, e.g., Report, Consumer Sentinel Network Data Book 2024, Fed. Trade Comm. 54 (Mar. 2025), https://www.ftc.gov/system/files/ftc_gov/pdf/csn-annual-data-book-2024.pdf [Hereinafter FTC, Consumer Sentinel Network Data Book 2024]; Katherine Cloud, Ilya Brovin, and Andrey Severyukhin, *How identity fraud is increasing in the age of AI*, World Economic Forum (Dec. 11, 2025), <https://www.weforum.org/stories/2025/12/how-identity-fraud-is-increasing-in-the-age-of-ai/>.
- 2 FTC, Consumer Sentinel Network Data Book 2024 at 54.
- 3 See Sarah Dranoff, *Identity Theft: A Low-Income Problem*, American Bar Association (Dec. 15, 2014), https://www.americanbar.org/groups/legal_services/publications/dialogue/volume/17/winter-2014/identity-theft--a-lowincome-issue/?login.
- 4 Marguerite DeLiema et al., *Identity Theft and Older Adults: How Minorities and the Poor Suffer the Worst Consequences*, 5 *Innov. Aging* 322-23 (2021), <https://pmc.ncbi.nlm.nih.gov/articles/PMC8680321/>.
- 5 See, e.g., Fair Credit Reporting Act, 15 U.S.C. 1681c-1; Truth in Lending Act, 15 U.S.C. 1643; N.Y. GBL 604-a. And while a police report is not required to make out a defense of identity theft to a state court debt collection act, judges often order victims to obtain them.
- 6 Ryan Bolger, *Door Shut and Ears Plugged: How Consumer Reporting Casts Identity Theft Victims Out of Financial Society and How the Law Can be Harmonized to Bring Them Back In*, 15 *Brooklyn J. of Corp., Fin. & Comm. L.* 156-64 (2020), <https://brooklynworks.brooklaw.edu/cgi/viewcontent.cgi?article=1344&context=bjcfcl>; Manual, *Protecting Wages, Benefits, and Bank Accounts from Judgment Creditors*, National Consumer Law Center (Oct. 29, 2020), <https://library.nclc.org/article/protecting-wages-benefits-and-bank-accounts-judgment-creditors>; Diane Johnston & Divya Subrahmanyam, *Denied! How Economic Abuse Perpetuates Homelessness for Domestic Violence Survivors*, Fordham University School of Law, CAMBA Legal Services, Inc., and The Legal Aid Society 5-6 (Sept. 2018), <https://camba.org/wp-content/uploads/2025/09/Denied-How-Economic-Abuse-Perpetuates-Homelessness-for-Domestic-Violence-Survivors.pdf>.

7 Patrol Guide, *Procedure 207-01*, New York Policy Department https://www.nyc.gov/html/nypd/downloads/pdf/public_information/public-pguide1.pdf.

8 *Id.* at *Procedure 207-34*.

9 *Id.*

10 *Id.*

11 Committee on Aging Jointly with the Committee on Public Safety, New York City Council, Meeting Minutes 76–77 (Oct. 30, 2024), <https://legistar.council.nyc.gov/View.ashx?M=F&ID=13573224&GUID=4570BF93-498A-4BBF-B771-C1EC93EFB25A>.

12 *Id.* at 76.

13 This statement is based on the extensive experiences of the authors, other advocates, and their clients.

14 This is true in the experience of advocates and their clients. See also Johnson & Subrahmanyam, *supra* note 6, at 16 & n.70; Angela Littwin, *Coerced Debt: The Role of Consumer Credit in Domestic Violence*, 100 Calif. L. R. 951, 954 (2012), https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1867554; Emily M. Poor, *Police Gatekeeping*, 30 Mich. J. of Race & L. 49, 72–73 (2025), <https://repository.law.umich.edu/cgi/viewcontent.cgi?article=1415&context=mjrl>.

15 This statement is based on the experiences of advocates and their clients.

16 See *IdentityTheft.gov*, Federal Trade Comm., www.IdentityTheft.gov.

17 Memorandum, Division of Privacy and Identity Protection, *Importance of Identity Theft Report*, Fed. Trade Comm. <https://www.consumer.ftc.gov/sites/default/files/articles/pdf/pdf-0088-ftc-memo-law-enforcement.pdf>.

18 Poor, *supra* note 14, at 72; *Expanding Services to Reach Victims of Identity Theft and Financial Fraud*, Office of Victims of Crime, U.S. Dep't of Justice (Oct. 2010), https://ovc.ojp.gov/sites/g/files/xyckuh226/files/pubs/ID_theft/pfv.html.

19 This is true based on the experiences of advocates and their clients. In addition, consumers nationwide have complained to the Consumer Financial Protection Bureau about receiving similar responses from credit reporting agencies, refusing to block information based on an FTC Identity Theft Report alone. See Consumer Complaint Database, "Credit reporting ftc identity theft report, May 6 2023 - May 6, 2026," Consumer Financial Protection Bureau, https://www.consumerfinance.gov/data-research/consumer-complaints/search/?dateRange=3y&date_received_max=2026-05-06&date_received_min=2023-05-06&page=1&product=Credit%20reporting%20or%20other%20personal%20consumer%20reports&searchField=all&searchText=Credit%20reporting%20ftc%20identity%20theft%20report&size=25&sort=created_date_desc&tab=List (accessed May 10, 2026).

20 Letter from Consumer Advocates to NYPD Comm. O'Neill, *Re NYPD's Identity Theft Complaint Intake and Reporting Procedures* (June 23, 2017), <https://protectborrowers.org/wp-content/uploads/2026/05/2017.06.23-Letter-to-Police-Commissioner.pdf>.

21 Local Law of New York City No. 35 (2025), *To Amend The Administrative Code Of The City Of New York, In Relation To Requiring The Police Department To Provide Information And Officer Training Relating To Identity Theft*, <https://intro.nyc/local-laws/2025-35>.

22 "Identity theft," New York City, <https://www.nyc.gov/main/search?search-terms=%22identity+theft%22&sitesearch=www.nyc.gov%2Fsite%2Fnypd#q=%22identity%20theft%22> (last visited May 10, 2026).

MAKING GOVERNMENT WORK BY ENDING PREDATORY DEBT COLLECTION

ESTABLISHING FAIR PAYMENT PLANS FOR NYC
FINES AND FEES

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NYC municipal debt disproportionately impacts communities of color and financially vulnerable individuals.

Each year, New York City issues hundreds of thousands of fines and fees that many low-income New Yorkers simply cannot afford to pay, for everything from parking violations and business license infractions to housing code violations and sidewalk debris. When residents fall behind, the City does not offer accessible repayment options. Instead, it routinely refers unpaid debts to third-party private collection agencies,¹ triggering a cycle of penalties, interest, and harassment that is in stark contrast to this Mayoral administration's stated values and that drives families deeper into poverty. These consequences deepen the affordability crisis facing millions of New York City households and push families further from financial stability.

The burden falls most heavily on Black and Latino New Yorkers for two compounding and distinct reasons. First, they are least able to absorb the financial shock of an unexpected fine and pay it down before penalties accrue, making even modest fines destabilizing in ways they would not be for wealthier households.² Second, and independent of ability to pay, research consistently shows that Black and Latino communities face more aggressive debt collection enforcement regardless of their financial profiles: studies controlling for income have found debt collection actions to be more than twice as common in majority-Black neighborhoods as in majority-white neighborhoods at equivalent income levels, suggesting enforcement patterns driven by racial targeting rather than financial risk alone.³ Both dynamics are at work in New York City, and both must be addressed.

Once a debt is referred to a collection agency, fees can balloon dramatically, sometimes from \$200 to \$500—a product of the additional fees that collection agencies are authorized to add to outstanding debt, as well as interest that accrues on that debt. Given that almost four out of every ten people nationwide cannot afford a \$400 emergency,⁴ this ballooning of fees could be the difference between someone being able to pay their rent or buy groceries that month, and allowing the debt to accumulate, or foregoing basic necessities just to keep debt collectors at bay. Wage garnishment and liens on property can follow. Many residents, unaware of their rights or unable to navigate bureaucratic appeals processes, simply pay whatever the collector demands or default entirely, further damaging their financial stability.

Traffic debt is among the most common and racially inequitable categories of municipal debt in New York City. Police-issued traffic violations and parking tickets disproportionately burden residents in low-income and majority-Black and Latino neighborhoods,⁵ where discretionary enforcement is most heavily concentrated,

with Black and Latino New Yorkers accounting for nearly 90 percent of people involved in NYPD vehicle stops in 2022 alone. Unpaid traffic fines compound rapidly with late penalties and, when referred to collectors, frequently grow even further beyond any resident's ability to pay. This proposal explicitly covers traffic debt alongside all other municipal fines and fees.

The City has taken limited, piecemeal steps to address this crisis. The Department of Finance offers some installment agreements for certain tax debts,⁶ and the Office of Administrative Trials and Hearings (OATH) provides hardship waivers in narrow circumstances.⁷ But these programs are poorly advertised, difficult to access, and exclude most categories of municipal fines. No comprehensive, citywide framework exists to ensure that residents facing financial hardship can pay what they owe without being subjected to punishing collection practices. This proposal closes that gap..

New York City can provide debt relief with an income-based payment plan system.

The Mamdani administration should immediately suspend the referral of unpaid municipal fines and fees to third-party debt collectors and replace that system with a citywide Accessible Payment and Debt Relief Program (APDRP) a structured framework of income-based payment plans, automatic hardship relief, and targeted debt forgiveness for the City's most financially vulnerable residents. This action can begin through executive direction and agency rulemaking, and should be followed by legislation to make it permanent and enforceable.

This proposal proceeds by describing each of the APDRP core components in greater detail, and then by discussing which components can be accomplished using existing authority and which require legislative changes, budgetary and funding considerations, precedents that offer support for such a program in NYC, and how we can measure success in reforming the City's collection practices.

Core Components Of The Proposal

The APDRP employs a combination of mutually reinforcing initiatives to provide reasonable and affordable repayment options for low-income New Yorkers.

Moratorium on Third-Party Debt Referrals

The Mayor should direct the Department of Finance (DOF) and all relevant city agencies including the Department of Buildings (DOB), the Department of Consumer and Worker Protection (DCWP), the Department of Transportation (DOT), and the Environmental Control Board (ECB) to immediately pause all new referrals of unpaid fines and fees to private collection agencies while the APDRP is designed and implemented. Existing contracts with third-party collectors should be reviewed for renegotiation or termination. This moratorium can be effectuated through a mayoral executive order and agency directives, without legislative action, and should take effect within ninety days.

Income-Based Payment Plans

The APDRP would establish a universal right to an income-based installment agreement for any municipal fine or fee, including parking violations, camera-issued traffic tickets, and all other DOT-administered fines.

Monthly payment amounts would be capped as a percentage of the debtor's net monthly income, with ceilings of no more than 2 percent for households below 200 percent of the Federal Poverty Level (FPL) and no more than 10 percent for households between 200 and 400 percent of the FPL. Interest and penalty accrual would be suspended during the term of any approved payment plan. Residents would apply through a streamlined, multilingual online or in-person process administered by DOF, with application assistance available at all DOF borough offices and through a network of community-based partners, such as the City's existing network of financial counseling partners through DCWP's Office of Financial Empowerment.

Automatic Hardship Relief and Debt Reduction

The APDRP would provide partial or complete debt reduction on a tiered basis according to income. For residents at or below the federal Department of Housing and Urban Development's (HUD) "very low income" limit—defined as 50 percent of the median family income for a county or metropolitan area—the program would provide automatic penalty and interest waivers upon proof of income (which might also require state legislation removing the ability of penalties and interest to be imposed or accrue), reducing the outstanding balance to the original fine amount only. For those at or below HUD's limit (\$57,400 for families in 2026⁸), the City should establish a debt forgiveness pathway for fines below a threshold amount (recommended: \$1,500) applying to both existing debt accumulated prior to program launch and new fines incurred going forward and encompassing traffic debt, including accumulated parking violations and camera tickets that have ballooned with penalties beyond the original fine amount, recognizing that collection costs for small-balance debts often exceed the amounts recovered. Relief for existing debt would be implemented in phases, with timelines proposed here to balance ambitious and urgent action with what is practically possible in a complex bureaucracy: the moratorium on new third-party referrals would take effect within ninety days via executive order; income-based payment plans and hardship waivers would open within six months as DOF infrastructure is stood up; and debt forgiveness applications for qualifying existing balances would be available within twelve months of program launch, with full operations and local legislation codifying the program targeted for Year Two of the administration.

Centralized Citywide Debt Portal

A persistent barrier to resolving municipal debt is that residents often cannot determine what they owe, to which agency, and under what conditions. The Mayor should direct the Office of Technology and Innovation (OTI) to build a single, resident-facing portal that consolidates all outstanding municipal fines and fees across

agencies, displays available relief options, and allows residents to apply for payment plans or hardship waivers in one place. This portal should be available in the City's designated languages (currently eleven), mobile-optimized, and accessible to individuals without a Social Security number.

Prohibit Referral for Debts in Active Dispute or Active Plans

The City should codify through local law that no fine or fee may be referred to a third-party collector while: (a) an administrative appeal is pending, including appeals of traffic violations before OATH, the NYC Transit Adjudication Bureau, or DOF; (b) the resident is enrolled in and current on a payment plan; or (c) a hardship waiver application is under review. This would eliminate a frequent injustice in which debts are sold to collectors even as residents are actively seeking relief through official channels. This protection is especially critical for traffic debt, where aggressive collection timelines frequently outpace residents' ability to navigate the appeals process.

Agency Authority and Implementation

Implementation of the APDRP would be led by the Department of Finance, with coordination from DOB, DCWP, DOT (which administers parking and camera-issued traffic violations), and the Mayor's Office for Economic Opportunity (NYC Opportunity). The moratorium on third-party referrals and the suspension of penalty accrual during payment plans can be accomplished through agency rulemaking (amending Chapters 34 and 39 of Title 19 of the Rules of the City of New York) without City Council action. Full codification of the program, including the debt forgiveness pathway and the prohibition on referrals during disputes, will require introductory legislation and Council passage, which the Administration should actively champion.

No state or federal action is required to implement this proposal, though the City should explore alignment with state consumer debt protection statutes and federal Consumer Financial Protection Bureau (CFPB) guidance on municipal debt.

Budget and Funding

The primary fiscal impact of this program is the revenue the City currently collects through third-party collectors. City agencies use a combination of contingency fee arrangements in which collectors retain 25 to 40 percent of recovered amounts and, in some cases, fixed-fee contracts, while the City retains the remaining collected fees as public revenue. As a result, the approximately \$50 to \$70 million collected annually in gross recoveries across agencies nets substantially less after accounting for 25 to 40 percent in collector fees and

administrative overhead. Furthermore, this does not even take into account the significant administrative and social costs of aggressive debt collection, including enforcement labor, appeals hearings, and the downstream public assistance costs associated with financial destabilization of low-income households.⁹ The APDRP would reduce these costs, allowing a fairer and more effective utilization of city resources and significantly curtailing the fiscal inefficiency of the current fines and fees system.

Startup costs for the unified portal and expanded DOF capacity should be funded through the City's capital and expense budgets, with potential supplemental funding from state and federal digital equity and access-to-justice grants. The City should also explore redirecting a portion of savings from reduced enforcement and collection overhead to fund the program's ongoing operations. Note: because the debt reduction policy recommended above would be offered for people with low-incomes who already likely have low or no ability to pay their debt, we assume that the City would not otherwise collect significant revenue in these cases, and that therefore the policy change would not result in any significant City revenue loss.¹⁰

Precedent and Evidence

New York City would not be acting alone. A growing number of jurisdictions have reformed predatory municipal debt collection in recent years:

- San Francisco eliminated most administrative fines for low-income residents through its Ability to Pay program, allowing courts and agencies to waive or reduce fines based on income, with reported reductions of up to 80 percent for qualifying individuals.¹¹
- Chicago established a Debt Relief Program through its Department of Administrative Hearings that permits fine forgiveness and income-scaled repayment for residents in financial hardship, with demonstrated success in recovering more revenue than aggressive collection while reducing defaults.¹²

These models demonstrate that accessible repayment pathways recover more revenue, at lower cost, while producing fewer harmful downstream outcomes than third-party collection. And we now know, with quantifiable evidence, that fines and fees reform makes a concrete difference in addressing the affordability crisis for working families. A first-of-its-kind national analysis released in April 2026 by the Fines and Fees Justice Center found that fines and fees reforms enacted since 2018 have delivered more than \$37.5 billion in financial relief to families across the country, preserving resources that people can now use to pay rent, buy groceries, and care for their families.¹³ New York City has an opportunity to be part of that story.

Measuring Success

The Administration should establish baseline metrics and report publicly on program performance annually.

Key indicators should include:

- Volume of fines and fees diverted from third-party collection annually, disaggregated by agency and community district
- Number and dollar value of payment plans established, and plan completion rates by income bracket
- Number of hardship waivers and debt forgiveness grants approved, and demographic breakdown of recipients
- Total debt resolved through the program versus through third-party collection in baseline years
- Resident satisfaction and complaint rates, tracked through 311 and agency feedback channels

Conclusion

Predatory debt collection by the City of New York is not a revenue strategy—it is a poverty trap. When the City hands unpaid fines to private collectors, it converts civil infractions into cascading financial crises for families who are already struggling, and it does so with demonstrably worse fiscal outcomes than accessible repayment alternatives would produce. The communities that bear the greatest burden are overwhelmingly Black and Latino New Yorkers living in neighborhoods that have long faced over-enforcement and under-investment.

The Mamdani Administration has an opportunity to act swiftly and decisively. A moratorium on third-party referrals can begin immediately through executive direction. The Accessible Payment and Debt Relief Program can be commenced using existing agency authority and codified through legislation. The technology infrastructure needed to make this work already exists in large part; it needs only to be coordinated and centered on the resident experience.

Ending predatory municipal debt collection is an act of economic justice that will strengthen families, stabilize communities, and ultimately recover more of what the City is owed without doing harm in the process. We urge the Administration to act now.

Endnotes

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MAKING GOVERNMENT WORK BY EXPANDING CAPACITY

PUBLIC ENFORCEMENT OF WORKERS' RIGHTS WITH
OUTSIDE COUNSEL

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NYC employers are getting away with violating workers' rights.

New York City has some of the strongest workers' rights laws in the nation—an expansive paid sick leave law, an ordinance requiring fair and predictable scheduling for certain workers, just cause protections for fast food workers, and wage and other rights for platform (or “gig”) drivers and delivery workers, among other things. Yet enforcement of those laws, as well as other statutes like the state minimum wage, is in crisis. The City's primary labor enforcement agency, the NYC Department of Consumer and Worker Protection (DCWP), has faced chronic resource constraints that leave a vast gap between the violations workers experience and the accountability employers face. But even if funding were significantly increased, DCWP still could not possibly address all workplace violations. The state labor department has similarly long been insufficiently resourced relative to the scale of violations.

That gap falls hardest on low-wage workers—disproportionately Black, Latino, and immigrant New Yorkers—in industries including restaurants, retail, construction, domestic work, and app-based delivery, where wage theft and other violations are most pervasive. Employers nationwide steal an estimated \$15 billion in wages annually through minimum wage violations alone,¹ and the vast majority of those stolen wages are never recovered. A worker who is wrongfully terminated for taking sick leave to which they are entitled may become housing insecure. A worker who is underpaid \$100 or \$200 per week because of overtime or other wage violations is deprived of income for daily survival needs. When workplace rights are violated, people can't afford rent, groceries, or medical care, making the enforcement gap inseparable from the City's affordability crisis.

Expanded protections for delivery and fast-food workers in New York City have recently taken effect, but DCWP already faced a backlog in enforcing existing law.² The recent collapse of federal enforcement has dramatically worsened the situation: wage and hour cases brought by the U.S. Department of Labor declined 97 percent in the first year of the second Trump administration.³ Meanwhile, widespread forced arbitration provisions—covering an estimated 80 percent of private sector non-union workers⁴—block many workers from bringing their own lawsuits in court, leaving government enforcement as the only realistic avenue of redress. The convergence of these factors makes this a compelling moment for New York City to expand its enforcement capacity.

The most important way of doing so is straightforward: adequately fund enforcement agencies such as DCWP so that they are staffed sufficiently to perform their critical function. Enforcement of workplace laws is a

public function that requires a strong public sector with experienced and skilled public employees. Even if adequately funded and staffed, though, capacity will always pose a challenge. Our proposal—contracting with mission-aligned outside counsel to bring enforcement cases—can further strengthen enforcement. If properly implemented, it would be an impactful force-multiplier. If successful with DCWP, it could be implemented more broadly throughout the City to facilitate the enforcement of protections for New Yorkers in a range of aspects of their lives.

Facilitating the use of outside counsel on a contingency basis would be a force multiplier in enforcement of workers' rights laws at very low cost to the City.

The Mayor of New York City should direct DCWP and the NYC Law Department to establish a program under which values-aligned outside counsel are hired on a contingency basis to litigate select appropriate enforcement actions on DCWP's behalf. Within this model of enforcement, the government does not pay anything out of pocket. Instead, outside counsel is paid only if they prevail in a lawsuit or reach a successful negotiated resolution—generally as a percentage of the money recovered. This is executive action the Mayor and his team can take under existing authority, without legislation or new budget appropriation.

Rationale

The contingency-fee outside counsel model offers a concrete and immediately available way to help address the current enforcement crisis. Contingency-fee outside counsel act as a force multiplier. In the cases best suited for this model, the alternative is often no enforcement at all. Facing chronic resource constraints, DCWP cannot bring every strong case on its own. The contingency-fee outside counsel model draws on the resources and expertise of the private bar to bring public enforcement actions the agency could not otherwise sustain.

Corporations have succeeded in getting the Supreme Court to green-light forced arbitration and class action waivers for workers—making non-governmental enforcement by private and public interest law offices difficult—while their allies in the conservative anti-tax, anti-government movement have succeeded in starving government budgets, making public enforcement harder.⁵ The result, too often, is impunity by low-road employers that exploit their workers. Our proposal is an attempt to help address this challenge and shift power back to workers.

It is a sound approach that has long been utilized by government enforcement agencies, most notably state attorneys general throughout the country, in cases involving the tobacco industry, opioids, environmental hazards, consumer fraud, antitrust violations, and more.⁶ Given its widespread adoption in other areas, it is appropriate also to deploy this model to enforce essential workplace rights.

Executive Authority and Legal Basis

NYC Charter § 394 vests the Corporation Counsel with broad authority over all law business of the city, and that authority has been used to engage outside legal services.⁷ DCWP has independent civil enforcement

authority under the NYC Administrative Code over city labor standards laws.⁸ These existing authorities provide the legal foundation for this proposal. Indeed, the City is already using outside counsel in a consumer fraud action,⁹ and contracts out debt collection work to outside firms and debt collection agencies. Further, legal challenges to contingency-fee outside counsel arrangements have been almost uniformly unsuccessful in other jurisdictions.¹⁰

Though new legal authority is not needed, a mayoral executive order could help codify and expand the program over time. An executive order could direct Corporation Counsel and DCWP to develop joint protocols—for case referral, outside counsel selection, litigation oversight, and transparency—within a defined timeframe. The administration should consult with the current enforcement attorneys, including relevant union leadership, before proceeding.

This model has been used successfully in several workers' rights contexts in other cities (Washington, D.C. and Philadelphia) and states (New Jersey and California).¹¹ As noted above, scores of state and local agencies have hired outside counsel on a contingency-fee basis in a wide range of civil enforcement contexts. This is a well-established approach to government civil enforcement. As in many localities nationwide, New York City's involvement in workers' rights is relatively new, which is one possible reason the City is not currently using this model for enforcing its workplace laws.

How The Program Would Work

DCWP would serve as the entry point for case identification. The agency could draw on its existing intake process, worker complaints, and enforcement data to flag cases that are strong candidates for this model. The agency would then work with the Law Department to hire outside counsel.

Good candidates are cases that are unlikely to be resolved through administrative action alone, involve systematic violations across a workforce, and are of a scope and complexity where outside counsel would add meaningful value. Philadelphia's Law Department, for example, hired outside counsel to help enforce its new Fair Workweek law, where employer violations were rampant and private counsel had considerable expertise.¹² Cases where workers are blocked from going to court by forced arbitration provisions should receive particular attention, since government enforcement is often the only realistic avenue of redress for these workers.

Consistent with factors articulated by courts reviewing these arrangements,¹³ the retainer agreement between the City and outside counsel should specify that the City will retain complete control over the course

and conduct of the litigation. It is critical to have meaningful, ongoing, and non-perfunctory government involvement in and oversight of a case through all stages, from initial filing, to discovery, motion practice, any negotiated resolution, and through distribution of restitution to workers.

Budgetary Considerations

Because outside counsel is compensated only from the proceeds of successful cases, the program requires no new appropriation to launch. The primary City cost is the Law Department and agency staff time required to maintain active litigation oversight—a manageable investment given that outside counsel will bear the burden of the litigation itself. Importantly, the model has the potential to generate resources for the City in additional civil penalties paid by employers, but it is no substitute for the additional funding DCWP needs for additional staff.

Measuring Success

The program's success should be assessed through clear metrics, publicly reported on an annual basis:

- the number of contingency-fee enforcement cases filed;
- total dollars recovered for workers;
- the number of workers receiving restitution;
- industries and employers brought into compliance;
- civil penalties recovered and reinvested in public enforcement capacity; and
- the proportion of cases involving workers who were otherwise blocked from court by forced arbitration.

The deterrence effect of the program—a reduction in violation rates among employers who know the city has a more powerful enforcement tool—may ultimately prove to be the most significant measure of impact, even if the hardest to quantify.

Addressing Concerns

There are legitimate concerns about this model. One is about whether the financial motives of private lawyers will skew the results; for example, favoring monetary recovery over injunctive relief ensuring

future compliance. This concern can be addressed through appropriate discussion prior to entering into a relationship, and through careful drafting of the retainer to require injunctive relief. Another concern is the amount of workers' recovery: because outside counsel receives a contingency fee, affected workers receive a portion of the money recovered rather than the whole amount. This tradeoff is real but must be weighed carefully against the realistic alternative. In the cases best suited for this model, the question is typically not whether workers will receive everything they are owed or merely a portion—it is whether they will receive anything at all. Moreover, some private law firms charge a reduced "government rate," significantly lower than the typical 33 percent in other cases, when they handle these cases.

Another concern is about privatization: whether engaging private lawyers to enforce public rights is an inappropriate outsourcing of government functions, and whether it may lead to further depletion of agency resources over time. This concern deserves serious consideration. But properly structured with genuine and ongoing government control and oversight, contingency-fee outside counsel is a targeted use of private resources to achieve public ends that can also increase public resources through collection of penalties.

This model should be understood as one part of a broader effort to strengthen public enforcement. New York City should pursue increased DCWP appropriations, expanded partnerships with worker organizations, and faster administrative adjudication alongside this initiative—not instead of it.¹⁴

Conclusion

New York City stands at a defining moment for workers' rights enforcement, where the tools available to DCWP are not equal to the scale of the problem they face. The contingency-fee outside counsel model offers a tested and immediately available force multiplier: one resource among many for combating a multidimensional enforcement crisis, enabling public enforcement in a subset of cases that otherwise simply would not be brought, thereby providing remedies for more workers than could be served by the agencies alone.

Endnotes

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12 *Id.* at 11.

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14 The EmPIRE Worker Protection Act, currently pending in the New York State legislature, is another model aimed at building public enforcement capacity to fight wage theft and other labor standards violations. NY Assembly Bill 4278; Senate Bill 448.

MAKING GOVERNMENT WORK FOR STUDENTS

A STUDENT-CENTERED STRATEGY TO IMPROVE
HIGHER EDUCATION ACCESS, AFFORDABILITY, AND
COMPLETION IN NEW YORK CITY

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The Institute for College Access & Success (TICAS)

Rising costs, fragmented supports, and structural barriers undermine student success.

New York City's higher education students face considerable affordability challenges. Even at the City University of New York (CUNY), where tuition remains relatively low, the cost of books, supplies, housing, food, transportation, healthcare, and more drive up the total cost of attendance. Changes in federal student loans add to these challenges, making affording college increasingly difficult for many more students.

There are a number of existing resources for students to receive financial assistance, however, accessing financial and educational supports spread across government, institutional, and non-profit systems can be complex and overwhelming. This maze of disaggregated services burdens low-income and first generation students, student parents, and adult learners, who often lack the time, information, or generational knowledge needed to successfully connect to available resources. The result: eligible students fail to receive the necessary support to enable them to succeed in higher education.

The governance structure of many schools—and CUNY in particular—can limit institutions' responsiveness to current challenges. If students' experiences are not adequately understood by leaders themselves, they may lack the knowledge to address the needs of today's students. CUNY Trustees bring important professional expertise, however, there appears to be little representation from individuals with direct experience working with students or within student support systems. This gap can limit institutional responsiveness to critical issues faced by today's students related to affordability, completion, and basic needs insecurity.

Another obstacle—and perhaps illustrative of what goes unaddressed when students' needs are not fully seen—are policies regarding institutional debt. Students who owe small-dollar debts to their school can be blocked from re-enrolling, even when they are academically on track.¹ This issue impacts the lowest-income students who lack a financial safety net, potentially increasing financial instability and deterring economic mobility.

Modernizing Student Supports and Governance to Meet the Needs of Today's Students

Short of creating new funding streams, the Mayor can play a pivotal role in addressing administrative barriers and updating models to adequately meet the needs of today's students. A coordinated mayoral strategy should include three interconnected approaches: (1) centralizing student support resources, (2) addressing institutional debt, and (3) strengthening student-centered governance at CUNY through strategic appointments to its Board of Trustees.

Centralizing and Streamlining Access to Student Supports

Students lacking family wealth, or living independently, often need to piece together financial aid, housing assistance, food support, childcare services, mental health care, transportation benefits, and emergency resources to be able to afford the total cost of college. Multiple city, state, institutional, and non-profit systems provide resources, however, the fragmented landscape is complex and challenging to navigate, particularly for first-generation students, students who are low-income, adult learners, and student parents who are already managing significant time and financial constraints.

To simplify the process, the Mayor can direct the NYC Department of Social Services, working together with CUNY, to create a centralized, streamlined "one-stop" digital portal for postsecondary students and families. This platform would function as a single access point for all major supports, including city services, state programs, federal resources, institutional aid, and community-based assistance. The site should be intuitive, mobile-friendly, and designed to guide users through eligibility screenings and application processes in real time. It must also be well publicized, with outreach embedded in high schools, college campuses, libraries, workforce development centers, and non-profits.

California Compete's Public Benefit Finder for California Students is a model to determine eligibility for different benefits programs.² It is similar to ACCESS NYC for public benefits,³ but specifically designed for students. New York City can build on this concept to enable students to quickly identify and access multiple forms of financial assistance through a single interface. The portal could integrate existing resources such as the Free Application for Federal Assistance (FAFSA),⁴ the New York State Higher Education Services Corporation (HESC) grant and scholarship information,⁵ CUNY CARES,⁶ CUNY EDGE,⁷ CUNY Accelerate, Complete, and Engage (ACE),⁸ CUNY Accelerated Study in Associate Programs (ASAP),⁹ other opportunity programs, and more.

Campuses already have dedicated student support offices, and the city is home to a large ecosystem of community-based organizations providing counseling, case management, and other assistance. A centralized website can serve as a coordination hub, linking all parties.

A supplemental phase could follow to integrate city-based workforce predictions into student counseling, which is especially important with the emergence of AI and changing workforce needs. Counselors could help students understand how their educational pathways align with workforce needs, and whether a degree program or short-term workforce credential better fits their goals and circumstances.

Strengthening Student-Centered Governance at CUNY Through Board Appointments

Since its beginnings, CUNY has aspired to expand opportunity, particularly for students who are low-income, first generation, or from historically marginalized communities. Its governance can be a key lever for change.

Pursuant to NY Education Law sec. 6204, CUNY's Board of Trustees is comprised of ten members appointed by the Governor, and five members appointed by the Mayor with one person from each borough. Members are appointed for a seven-year term and can be reappointed for one additional term. The chairpersons of the university student senate and the university faculty senate serve as ex-officio trustees.

The current Board of Trustees brings valuable expertise from fields such as law, finance, public service, labor relations, civil rights, the arts, and more.¹⁰ Yet there is no structural requirement—apart from the ex-officio members—that any trustees have direct experience working with higher education students or within student support systems, and currently, none do.

This gap matters. Governance decisions related to affordability, academic policy, student services, and institutional priorities are more effective when informed by individuals who understand the day-to-day realities today's students face—particularly those from low-income backgrounds, students of color, adult learners, student parents, and first-generation college students.

The Mayor is in a position to appoint two trustees and should act quickly to do so—appointments are subject to confirmation by the New York State Senate.¹¹ The Mayor should consider candidates who have worked directly in higher education student services, advising, counseling, financial aid administration, community-based college access programs, or related fields. The Mayor should prioritize individuals with lived or professional experience addressing barriers such as food insecurity, housing instability, childcare challenges, and non-traditional educational pathways.

Strengthening representation of student-centered perspectives will enhance the Board’s decisionmaking on a variety of support initiatives such as centralized service delivery systems, institutional debt relief, expanded emergency aid, and integrated advising models. Understanding how policies translate into day-to-day changes for administrations, staff, and students will help the Board keep pace with the rapidly changing needs of its student body.

Addressing Institutional Debt as a Barrier to Completion

Institutional debt—small-dollar amounts owed to a school, typically for past-due tuition resulting from a student having to drop out or failing to receive grants they expected—can have outsized consequences.¹² CUNY’s written policy, for example—like that of many schools—prohibits students with institutional debt from re-enrolling unless there are exceptional circumstances, effectively halting their academic progress regardless of how close they are to completion (although exceptions do occur).¹³

The Mayor can take several steps to address this issue. First, he can call on all institutions of higher education in New York City to report annually on student institutional debt, including the number of students affected, average debt amounts, and the academic consequences of unpaid balances. In 2018, NYC’s Department of Consumer Affairs conducted an in-depth analysis of student loan debt which informed the City regarding which neighborhoods and student populations to target resources.¹⁴ Getting data to shed light on the issue has been one obstacle preventing reform, and the little data that have become available make clear that these debts disproportionately affect low-income, Black, Latino, and older students.¹⁵

Second, the Mayor can call for and support policies at all institutions, but particularly at CUNY, that systematically allow students who owe debt to re-enroll. There is precedent: the CUNY Comeback Program allowed CUNY students with institutional debt resulting from the COVID-19 pandemic to re-enroll and complete their education,¹⁶ and CUNY Reconnect provides forgiveness grants to help older students settle balances and re-enroll.¹⁷

Third, the Mayor can establish targeted funding programs to eliminate institutional debt for students in the lowest income brackets.¹⁸ Debt forgiveness initiatives could be structured as last-dollar support, and prioritize that students closest to completion are not derailed by modest financial obligations. Here, too, the CUNY Comeback Program is informative, as it included strategic debt forgiveness to allow students to complete their education.

Conclusion

Taken together, these three strategies—centralizing student supports, addressing institutional debt, and appointing individuals to CUNY’s Board of Trustees who have direct knowledge of the needs of today’s students—are a good start to making higher education more affordable and accessible in New York City. While each proposal addresses a distinct barrier, they are mutually reinforcing. A centralized support system is crucial to prioritizing student needs. Institutional debt reform is more sustainable when leaders understand its impact on retention and completion. Student-centered Board of Trustee appointments ensure that these reforms are not only implemented but continuously refined based on lived experience.

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MAKING GOVERNMENT WORK FOR RENTERS

UNLEASHING DORMANT CAPITAL: A CENTRALIZED
RENT SECURITY DEPOSIT FUND AS REVENUE
GENERATION FOR NEW YORK CITY AND FASTER
RENT DEPOSIT REFUNDS FOR TENANTS

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New York City tenants face significant hurdles to get their rent deposits back at a time when money is scarce for them and for the City.

New York City has approximately 2.3 million rental units.¹ Under New York law, landlords in buildings with six or more units are required to hold tenant security deposits in interest-bearing accounts at a bank within New York State, with tenants notified in writing of the account details and accrued interest to be paid back to tenants, less permitted administrative fees.² According to the New York City Comptroller's Office, the median asking rent on publicly listed apartments citywide rose to a record high of \$3,500 per month in 2023 and has remained near that level.³ At that figure, aggregate security deposits across the City's rental market—typically equal to one month's rent—represent a pool measured in the billions of dollars: capital that is legally unavailable to landlords, but is also currently generating no public benefit.

Under the current system, that capital sits idle and divided across thousands of private landlord accounts. When disputes arise over deposit returns, tenants must either file in small claims court or lodge a complaint in court or with the New York State Attorney General's Office⁴—both paths are time-consuming, legally demanding, and disproportionately difficult for low-income tenants without legal representation. The proposal advanced here would change this system fundamentally by establishing by default that tenants receive their deposit refunds from a City office or agency, rather than the landlord, and putting the onus on the landlord to prove any damages to the property.

Through mid-May, 2026, New York City was carrying a structural budget deficit of approximately \$5.4 billion⁵—a gap that was driving Mayor Zohran Mamdani to scale back the ambitious economic justice agenda on which he campaigned. A campaign proposal to double the staff of the Department of Consumer and Worker Protection (DCWP)—an agency that took on a significant portfolio of new enforcement responsibilities under recently enacted legislation—became a budget proposal to cut staffing during the City's budget crisis.⁶ Even in times of better fiscal health, the City has not historically prioritized funding for economic justice. Though budget cuts to essential services seem to have been averted,⁷ to deliver on promises made to working-class and low-income New Yorkers, the Mamdani Administration must identify new and reliable revenue streams.

The City has been exploring a number of options to increase revenue. The property tax is the one major revenue source the City directly controls and can increase without state authorization.⁸ But doing so is deeply unpopular across the political spectrum,⁹ and no mayor has raised property taxes in more than two decades.¹⁰

Taxing the rich is essential for funding public services and reducing inequities—but Governor Hochul has so far been opposed to raising personal income taxes on New York City’s highest earners, and there will have to be a coordinated campaign on all fronts to make that happen. The governor’s proposed pied-à-terre¹¹ tax on non-primary residences owned by wealthy nonresidents is a step in the right direction, but insufficient on its own to fund a comprehensive economic justice agenda.¹²

The City must think beyond the traditional revenue toolbox. The question is not simply how to reallocate economic burden, but how to identify and ignite revenue streams that have not yet been explored. One such opportunity—substantial in scale, and proven in practice elsewhere—lies in the billions¹³ of dollars in tenant security deposits currently held in private accounts across New York City’s rental market, generating no public benefit whatsoever. With two million units at an average \$3,000 deposit, we would be looking at \$6 billion in deposits. If the City were to invest the funds with 4 percent return, it could generate \$240 million in annual revenue.

A Centralized Rent Security Deposit Fund

The Core Proposal

Rather than allowing security deposits to remain scattered in private accounts, New York City—through state legislation—should require that all residential security deposits¹⁴ be lodged with a centrally managed government fund.¹⁵ The principal of each deposit would remain credited to the individual tenant and fully returnable at the end of the tenancy. The interest generated by the aggregated, professionally managed pool would flow into a dedicated public fund to support programs serving low-income New Yorkers, with an initial focus on housing legal services and tenant protection programs. Not all of the City’s 2.3 million estimated rental units are subject to the requirement to keep deposits in interest-bearing accounts, but the legislation would have to cover all City landlords, regardless of building size/number of units, in order to maximize the revenue potential.

It is unclear how routinely New York City’s landlords comply with the current requirements and the current individual interest entitlement is, for most tenants, illusory. When and if their landlords comply with the requirements to hold the rent deposits in interest-bearing accounts, tenants rarely recover any interest. That is because traditionally, interest rates in deposit accounts have been very low.¹⁶ With the proposed new structure, tenants who today wait months to recover their deposits through small claims proceedings could instead receive automatic refunds within days of a tenancy’s end, unless the landlord files a documented claim. That is a meaningful improvement in tenants’ lived experience, and one that does not require them to sacrifice anything of real value.

The Australian Model

Australia has operated a version of this system for decades, and the results illustrate the potential for the model. In every Australian state and territory—with the exception of the Northern Territory—residential tenancy bonds are not held by landlords or agents but are lodged with government-run bond authorities that hold the funds in trust until the end of the tenancy.¹⁷ The bond is returned to the tenant by default; if a landlord wishes to make a deduction for damage, unpaid rent, or cleaning costs, they must file a documented claim with the authority and substantiate it.

The scale of the funds involved is significant. In New South Wales alone, the Rental Bond Board currently holds approximately AUD\$2.29 billion in rental bonds, and at a conservative 5 percent interest rate the annual return

would easily exceed AUD\$100 million.¹⁸ Queensland’s Residential Tenancies Authority held over 631,000 bonds at a combined value of approximately AUD\$1.3 billion at the close of the 2024–25 financial year.¹⁹ Across all Australian jurisdictions, the aggregate interest generated by pooled bond funds runs to many tens of millions of dollars annually. The programs are not without criticism. Tenant advocates, in particular, have expressed frustration over the lack of transparency on how the funds are used.²⁰

The IOLA Precedent

We do not have to look outside New York City’s borders for inspiration. There is a domestic analog for this approach, one that has been operating in New York since 1983. The Interest on Lawyers’ Accounts (IOLA) program—also referred to as Interest on Lawyers’ Trust Accounts, or IOLTA, programs—requires attorneys to hold client funds that are nominal in amount or short in duration in pooled interest-bearing trust accounts. The interest flows to a state-designated foundation that funds civil legal services for low-income New Yorkers.²¹ IOLA’s current five-year grant cycle provides \$80.9 million in appropriations, and in the most recent reporting year IOLA grantees closed over 307,000 cases benefiting nearly 640,000 New Yorkers.²² Every state in the country, along with the District of Columbia and the U.S. Virgin Islands, operates a version of this program.²³

Administrative Structure

A critical question is how the program would be administered—specifically, how deposit refund disputes would be resolved at the end of a tenancy. Two broad models are worth considering, each with different tradeoffs between equity, efficiency, and cost.

The first option is to establish a new dedicated administrative tribunal, modeled on Australia’s bond authorities, with the power to receive landlord claims, evaluate documentation, and issue determinations. This would provide the most robust adjudication process, but it carries significant cost and lead time. Building a new agency from scratch requires capital investment, ongoing staffing, and legislative authorization—all challenging in a fiscal environment defined by a \$5 billion deficit. It would also invite legitimate criticism that the program is creating bureaucracy even as it purports to generate revenue.

A second option is to route deposit disputes through an existing administrative agency, most naturally the Department of Housing Preservation and Development (HPD) or the Office of Administrative Trials and Hearings (OATH). HPD enforces the NYC Housing Maintenance Code, invests in affordable housing, and provides rental and down payment assistance to New Yorkers.²⁴ OATH already adjudicates a wide range of civil and administrative matters for City agencies and has established procedures, experienced hearing officers, and

physical infrastructure.²⁵ Assigning deposit disputes to OATH would avoid the cost of building a new institution. The tradeoff is that OATH's caseload is already substantial, and a significant influx of deposit disputes—particularly in the program's early years—could strain capacity and slow resolution times.

A streamlined option could be used by either HPD or OATH: a documentation-based online process that places the burden squarely on the landlord. Under this model, the deposit is returned to the tenant automatically at the end of a tenancy unless the landlord files a claim within a defined window—say, fourteen days—through a digital portal administered by the agency. The landlord must upload supporting documentation, such as itemized repair invoices, photographs, or move-in and move-out inspection records. If no claim is filed, or if the documentation is facially insufficient, the deposit is released to the tenant. Disputed claims above a threshold amount could be escalated to OATH's administrative tribunal, but the expectation is that the documentation requirement would resolve the vast majority of cases without formal adjudication. This model requires minimal new staffing and creates strong incentives for landlords to maintain proper records throughout the tenancy. This model is also most consistent with the program's overarching goal: to generate net public revenue, not to create a new administrative apparatus that consumes the revenue it generates.

Conclusion

A centralized Rent Security Deposit Fund, modeled after Australia’s residential tenancy bonds, can facilitate faster and fairer rent deposits refunds to tenants, and also provide a new revenue stream to the City. This intervention does not raise taxes on working New Yorkers. It does not cut services. It pools billions of dollars in rent deposits into a professionally managed public fund, and directs the interest they generate toward programs that serve the City’s most vulnerable residents. The path forward runs through Albany, and it will not be easy. But the political case is strong: this is a reform that protects tenants, generates revenue, and costs the average New Yorker nothing.

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Joseph Rebella is a Supervising Attorney at The Legal Aid Society. Joseph has represented New Yorkers struggling to maintain homeownership since 2012. He currently represents victims of deed theft as the Supervising Attorney of the Foreclosure Prevention Project at the Bronx Office of the Legal Aid Society.

FITZGERALD RESTITUYO

Fitzgerald Restituyo is a Product Owner at Neighborhood Trust. Bronx native and Georgetown grad Fitzgerald "Fitz" has spent 10+ years at Neighborhood Trust. As TrustPlus Product Owner, he builds tech-driven, equitable financial solutions. Fitz is dedicated to using technology to reduce barriers and expand financial access for underserved communities.

CAROLINA RODRIGUEZ

Carolina Rodriguez is Director of the Education Debt Consumer Assistance Program (EDCAP) at the Community Service Society of New York (CSS), where she leads a nationally recognized, first-of-its-kind program helping borrowers navigate and resolve student loan debt. She brings over 14 years of experience designing and scaling statewide consumer assistance programs. Previously, she served as Associate Supervising Attorney in CSS's Health Initiatives Department, overseeing a statewide network of community-based organizations and small businesses providing health insurance and access

counseling, and managing New York State's largest health insurance enrollment network.

KATE SELDEN

Kate Selden is Director of Solar Policy at Solar One, leading advocacy and analysis to advance affordable, equitable solar energy in New York. She brings on-the-ground solar project insight to policy work, ensuring energy solutions serve New Yorkers impacted by energy injustice.

BRIAN SHEARER

Brian Shearer is Director of Competition and Regulatory Policy at Vanderbilt Policy Accelerator. Brian has spent his career working in and out of government to advance economic justice and corporate accountability. He previously served as the Policy Director of the Consumer Financial Protection Bureau and the Legal Director of Justice Catalyst Law.

JASON SOLOMON

Jason Solomon is the Director of the National Institute for Workers' Rights, an advocacy organization that works to make it harder for employers to violate workers' rights and easier for workers to get justice. Before joining the Institute, Jason was Executive Director of the Deborah L. Rhode Center on the Legal Profession, where he helped lead a national coalition on access to justice. He previously served as associate dean for academic affairs at Stanford Law School and was also a tenured professor at William and Mary Law School, where his research focused on the theory and practice of civil justice. Earlier in his career, he worked as a law clerk for judges in the U.S. District Court in Brooklyn and the Second Circuit in Manhattan, and as an aide at the White House and U.S. Treasury Department, where he worked on economic and health policy. He is a graduate of Harvard College and Columbia Law School, and a member of the New York bar.

DIVYA SUBRAHMANYAM

Divya Subrahmanyam is Supervising Attorney at CAMBA Legal Services, Inc. Divya supervises the Consumer Law Unit's crime victims' assistance program, focusing on identity theft and domestic violence. As part of the Economic Justice for Survivors Collective, she advocated for the passage of NY's new coerced debt law.

**LINDSEY
VIGODA**

Lindsey Vigoda is the New York Director and National Quality Job Director at Small Business Majority, where she leads the organization's advocacy, movement-building, and fundraising efforts across New York.

**AMBER
VILLALOBOS**

Dr. Amber Villalobos is a fellow at The Century Foundation working on higher education policy with a focus on college accountability, college affordability, and online higher education.

**MIA
WAGNER**

Mia Wagner, MPA, is Director of Health Policy at Community Service Society of New York, where they research and advocate for solutions to improve health coverage and affordability for all New Yorkers. Mia holds a JBA from the University of Wisconsin-Madison and an MPA from the La Follette School of Public Affairs.

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