



# Long Island Housing Services, Inc.

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[www.LIFairHousing.org](http://www.LIFairHousing.org)

*Protecting Civil Rights for Long Islanders since 1969*



## MEMORANDUM OF SUPPORT FOR S5923A/A6617A

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**BILL NUMBER: S5923A/A6617A**

**SPONSORS:** Senator Thomas/Assemblymember Weinstein

**TITLE OF BILL:** An act to amend the civil practice law and rules, the banking law, and the debtor creditor law, in relation to exempting COVID-19 stimulus relief for individuals and families with children from certain collection efforts.

**PURPOSE:** To protect payments made to individuals under prescribed emergency relief statutes, which are intended to help New Yorkers during unprecedented loss of employment and other detrimental economic impacts, from collection to satisfy money judgments, from set-off, and from transfer or assignment.

**STATEMENT OF SUPPORT: Long Island Housing Services, Inc.** supports **S5923A/A6617A**, which would exempt COVID-19 stimulus payments from debt collection.

Our mission is the elimination of unlawful housing discrimination and promotion of decent and affordable housing through advocacy and education.

The COVID-19 crisis has imposed unprecedented financial pressure and had a devastating impact on New Yorkers: March 2020 set a record for the largest monthly increase in unemployment in New York State. Communities of color have been particularly hard hit by the pandemic because of long-standing and wide-ranging systemic inequities, which have rendered families of color more susceptible to the economic storm wrought by the still-ongoing COVID-19 crisis and less able to weather it.

In an effort to combat the financial devastation of the COVID-19 crisis and to ameliorate its dire health and economic effects on Americans, Congress passed the federal Families First Coronavirus Response Act, Coronavirus Aid, Relief, and Economic Security Act of 2020, Consolidated Appropriations Act 2021, and American Rescue Plan Act of 2021.

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March 30, 2021

One important goal of these laws was to provide much-needed relief payments to individuals and families with children. These historical, means-tested payments in the form of tax refunds, recovery rebates, tax credits, and advanced payment of tax credits are intended to provide relief for people during this unprecedented time, including for those struggling to pay for basic necessities. *Despite the clear purpose of the relief payments to help struggling New Yorkers, however, all the payments were not uniformly deemed exempt from collection efforts under federal law.*

Hundreds of thousands of consumer debt judgments have been entered in New York courts over the past two decades, disproportionately impacting communities of color. Many judgments were entered without the required notice, and they remain enforceable today against unsuspecting New Yorkers. The economic impact of the COVID-19 crisis will inevitably result in even more collection actions in the near future. Any execution, levy, attachment, garnishment, or other legal process to seize COVID-19 relief funds deprives recipients of the ability to support themselves and their families. The last thing struggling New Yorkers need to worry about in light of the current health and economic crisis is having their much-needed funds seized by unscrupulous debt collectors or offset by powerful banks, which are already ready to pounce.

By designating COVID-19 stimulus relief payments exempt from collection, this critical legislation would protect vulnerable New Yorkers from the devastating consequences of bank levies, set-off, transfer or assignment, and would ensure that their relief funds actually provide relief. Failure to protect these funds would mean that this means-tested, taxpayer-funded relief intended to support individuals and families during an unprecedented global pandemic would instead line the pockets of debt collectors and banks as profit. **By exempting New Yorkers' COVID-19 stimulus relief from collection efforts, S5923A/A6617A would reduce the economic impact of the COVID-19 crisis on New Yorkers, which is why Long Island Housing Services, Inc. urges you to support this critical legislation.**

For more information, please contact: Executive Director Ian Wilder at 631-567-5111 ext. 314 or [ian@LIFairHousing.org](mailto:ian@LIFairHousing.org).