

Desperate Times Call for Desperate . . . Banners?

Aylix K. Jensen

The Safe Harbor: Debt Collection Law Update by Aylix Jensen (April 2022 edition)

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Aylix K. Jensen offers analysis and insights for the debt collection industry in her monthly newsletter, *The Safe Harbor: Debt Collection Law Update by Aylix Jensen*. This monthly newsletter provides an update of changes and developments in the law that impact the debt collection industry. It highlights new debt collection laws and practices, discusses what these may mean for the collection industry, and provides tips to ensure compliance. This article is featured in the April 2022 edition.

After refusal from their tenants to pay a newly increased rental rate, landlords in Queens, New York, posted two banners on the building that read in bold, black font, "MY TENANTS ON THE FIRST FLOOR ARE NOT PAYING RENT." The collection problems began in July 2021, when the landlords raised the rent on the three-bedroom home from \$1,800 to \$1,900 a month due to financial strain from the pandemic.

In February 2022, after approximately seven months of not receiving rent, the landlords began the process of evicting the tenants from the home. However, with the significant backlog of eviction cases from the New York eviction moratorium and pandemic protections, the landlords were forced to turn to alternative measures.

As a reminder, New York's eviction moratorium, which expired in January 2022, provided significant leeway to renters suffering hardship from the pandemic and permitted renters to stay eviction cases against them by merely alleging financial hardship. As a result, there are nearly 200,000 eviction cases pending against New Yorkers in Housing Court.

While most debt collection restrictions in New York apply only to third-party debt collectors, this is an example of how the complicated debt collection laws and overburdened court system is forcing some creditors to become "creative" in collecting past due money.

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