# New York Senate Legislation Passes to Curb "Vulture" Fund Behavior

## New York State Council of Churches, Jubilee USA Network, Oxfam and Partners In Health Issue Statement for Assembly to Pass and Governor to Sign "Champerty" Legislation and Urge Legislature to Pass Stronger Actions

**Albany, New York** - A Senate bill (S5623) aimed at curbing predatory hedge fund behavior passed the New York Senate and is awaiting a vote in the Assembly (A5290) in order to head to Governor Kathy Hochul's desk to be signed into law.

**"This legislation should become New York law as it addresses some of the ways that several hedge funds take advantage of developing countries," stated Eric LeCompte the Executive Director of Jubilee USA Network, an organization that works on debt and development policies. "This legislation is a step in the right direction. The legislature will need to take more comprehensive action to deal with all of the negative ways that New York's debt laws harm developing countries."**

Advocates argue that more action is needed to improve New York laws that govern more than 50% of the world's private sector loans for countries.

***The New York State Council of Churches, Jubilee USA Network, Oxfam and Partners In Health issue the following statement:***

*Thanks to Senator Krueger and Assemblymember Gonzalez-Rojas, their "champerty" bill (S5623/A5290) represents progress in limiting some of the worst, predatory behavior of the "vulture" hedge funds. **As the bill (S5623) passed the Senate, the Assembly should pass the companion bill (A5290) and Governor Hochul should sign this legislation into law immediately.***

*Most effectively and importantly, the legislation reduces New York's punitive prejudgment interest rate to a better level and places obstacles in the way of the most predatory speculators suing debtor countries in New York courts.*

*While this legislation is progress and may help curtail some predatory behavior, it does not deal with the greater concern for New Yorkers and developing countries of dealing with bad faith actors and hold-out behavior.*

*We support this champerty bill (S5623/A5290) and emphasize the importance of additional legislative action to address the larger issues where New York law harms developing economies. A critical portion of champerty that would have addressed the larger problem of hold-out behavior and bad faith actors was removed under pressure from creditors.*

*Billions of people will suffer because creditors removed the good faith provision. The removed language would have ensured that all private creditors would be required to cooperate in qualified restructurings in good faith. Without this language, we lack protections for New York courts, New York taxpayers, poor countries, and official creditors like the United States government.*

*Legislators in New York have compelling public interest to pass additional legislation that can rectify the power imbalance in sovereign debt restructurings and can help solve these larger problems. While we celebrate progress and this victory with the Senate passage, New York legislators must continue their work to enact further comprehensive reforms such as those included in the Sovereign Debt Stability Act (S5542A/A2970) to ensure that all private creditors governed under New York laws operate responsibly.*

**New York State Council of Churches**
**Jubilee USA Network**
**Oxfam**
**Partners In Health**

Read the Statement on the New York Senate Passage of the "Champerty" Bill (S5623/A5290) [here](#).

Find the "Champerty" bill [here](#).

View Jubilee USA's Sovereign Debt Stability Act (S5542A/A2970) webpage [here](#).

Find the Sovereign Debt Stability Act bill [here](#).

*Jubilee USA Network is an alliance of more than 75 US organizations and 750 faith communities working with 50 Jubilee global partners. Jubilee USA builds an economy that serves, protects and promotes the participation of the most vulnerable. Jubilee USA wins critical global financial reforms and won more than $130 billion in debt relief to benefit the world's poorest people. [www.jubileeusa.org](http://www.jubileeusa.org)*

*###*