New Economy Project

Overview of Achievements, 2020-2021

During the second grant year, our achievements included:

- Providing direct legal services to 576 low-income New Yorkers, through our free hotline.
- Pursuing impact litigation that benefits hundreds of thousands of low-income New Yorkers.
- Rapidly adapting our program to a remote format and continuing seamlessly to provide legal services during the pandemic, including:
  - Subscribing to a virtual telephone system, that includes SMS/texting capability. The improved technology has allowed us to receive multiple hotline calls simultaneously, and text callers who wish to communicate via SMS. We also added two more live hotline hours, in the early evening.
  - Implementing an online intake form, which has enhanced our intake process and overall communication with clients during this challenging time.
  - Creating online know-your-rights fact sheets and other timely web-based material for pro se litigants, addressing how to defend oneself against debt collection lawsuits and navigate changes in the courts in the context of COVID-19.
  - To expedite our responses to hotline callers, developing 11 new email templates that respond to common legal issues and caller circumstances.
- Leading know-your-rights workshops for 144 New Yorkers, in partnership with seniors advocacy organizations and elected officials' offices, on a range of pressing financial justice topics.

Our primary target populations are low-income New York City residents, particularly New Yorkers of color, immigrant New Yorkers, women, and seniors.

Population Served: General Low Income Population

Area Served: Statewide

Total Funding: $520,869

Total IOLA Grant: $137,500

Staffing - Full Time Equivalents:

- Total Staff: 5.00
- Lawyers: 3.30
- Paralegals: 1.00
- Others: 0.70
Mr. H first called our NYC Financial Hotline for assistance in October 2020. A Latino resident of the Bronx, Mr. H works and receives Section 8 housing support. He contacted us because he had received a notice that a debt collector was going to start garnishing his wages. This was the first he had heard that a debt collector sued him. The case, it transpired, was already more than 10 years old, and the debt collector was seeking more than double the original alleged debt. Mr. H’s wages barely covered his living expenses, and he could not afford a wage garnishment. New Economy Project helped him draft and file papers to vacate the default judgment against him, and we referred him for volunteer lawyer assistance on his court date. We noted in our papers that the process server who claimed to serve him with notice of the lawsuit was notorious, with an extensive disciplinary history with the Department of Consumer Affairs, and the affidavit of service contained information that could not have been true. The process server had failed to comply with the law, and the plaintiff debt buying company had delayed 12 years in trying to enforce this judgment. The judge vacated the $3,543. Without our assistance, this caller would have had the judgment enforced to pay this debt down, even though having his wages garnished would have left him unable to cover his basic living expenses and would have violated his due process rights.

Ms. R, who works for the City of New York, called our NYC Financial Justice Hotline in early April 2020, just as the COVID-19 pandemic was breaking. A Latina Queens resident and a single mother of two, she had found out that 10% of her paycheck was being garnished. Because of the garnishment, she feared she wouldn’t be able to stock up on the insulin her diabetic son needed or continue delivering groceries to her elderly mother. She was just about to go to court to try to stop the wage garnishment when the pandemic broke. A resident of one of the Queens neighborhoods hardest-hit by the COVID-19 crisis, she decided she should stay at home for the sake of her family’s health—and at any rate, the New York City courts had shut down most of their operations, making it very difficult for most New Yorkers to seek relief through the courts. We therefore reached out directly to the judgment creditor, a major national bank, and secured a full stop to the wage garnishment. Without our assistance, Ms. R, who had already been living paycheck to paycheck before the pandemic, would have been unable to take care of her family during the crisis.
### Number of People Benefitted by Services Other Than Direct Legal Representation

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<thead>
<tr>
<th>Service</th>
<th>Number</th>
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<tr>
<td>Total</td>
<td>15,058</td>
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<tr>
<td>Community Legal Education</td>
<td>844</td>
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<tr>
<td>Pro Se Assistance</td>
<td>10,854</td>
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<tr>
<td>Online Assistance</td>
<td>3,360</td>
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**Other Legal Related Services: Overview**

This past grant year, New Economy Project conducted extensive community legal education, serving a total of 844 people, and through our pro se assistance, served 10,854 people. We also provided a wide menu of general online legal resources, which this grant year received a total of 3,360 unique downloads.

We met all two-year goals in these areas, as we disseminated know-your-rights information through various mechanisms, helping New Yorkers defend and advocate for their rights pro se, publicized our free legal services, and encouraged people to contact our hotline.

Our target population is low-income New Yorkers, particularly New Yorkers of color, immigrants, women, and seniors.

Although organizational capacity-building is not funded by this grant, we would like to share that New Economy Project also dedicated resources this past grant year to building other legal groups’ capacity to help New Yorkers facing discriminatory and abusive financial practices.

**Other Legal Related Services: Examples**

- Leading two virtual community legal education workshops for seniors, at events hosted by Brooklyn-Wide Interagency Council of the Aging, Inc. Both presentations focused on discriminatory and abusive debt collection.

- Conducting a virtual financial justice workshop, via zoom and live-streamed on FaceBook, for residents of Central Brooklyn neighborhoods of Bedford-Stuyvesant, Ocean HillBrownsville, East Flatbush, and Crown Heights. The presentation was hosted by a NYS Assembly Member and NYC Council Member.

At all virtual workshops this year, we posted links to our hotline flyers and know-your-rights material, and to our new online intake form. Pre-pandemic, we distributed printed material to all workshop participants. Given the limitations of virtual workshops, we disseminated links to the material, using the chat function, on power point slides we projected, and in follow-up emails sent by the hosting organizations. Key material included a one-page fact sheet we created, in English and Spanish, on New Yorkers’ rights under the state’s Exempt Income Protection Act.

Every month, our online legal resources, geared to New Yorkers, receive thousands of unique visits and downloads. Like last year, the top item downloaded this past grant year was our Sample Debt Collection Dispute Letter, a helpful legal tool for thousands of New Yorkers being hounded by debt collectors. The second and third most frequently-downloaded documents were our Sample Debt Collection Cease Letter, and Exempt Income Protection Act flyer cited above.
Other Services

Significant Collaborations

We work closely with the following other legal services providers and private bar organizations:

- Mobilization for Justice (MFJ) – co-counseling on impact litigation (see Bostic and Sanders above); partner in coalition and policy advocacy; collaborator in NYC network of consumer advocates
- National Center for Law & Economic Justice (NCLEJ) – co-counseling on impact litigation (see Robinson, Bostic, and Sanders above)
- Emery Celli Brinckerhoff Abady Ward & Maazel LLP – co-counseling on impact litigation (see Bostic and Sanders above)
- Faegre Drinker Biddle & Reath LLP, and the law firm of Jerry Hartman – co-counsel on impact litigation (see Robinson above)
- Feerick Center for Social Justice – ongoing financial justice policy advocacy; court-based CLARO clinics organized by Feerick Center
- NYC Bar Association – Our legal director actively serves on the Civil Courts Committee and, in her capacity as Civil Courts Committee member, serves on the Association’s Working Group on Racial Equality in Our Courts. New Economy Project – Year 2 Report to IOLA Fund 8
- Arent Fox LLP – We receive extensive legal and strategic support from Arent Fox LLP for our public banking initiatives in NYC and NYS.

We work with a long list of community-based organizations, including in three major coalitions we convene in support of community land trusts, public banking, and equitable community development. A short list of examples includes: Banana Kelly Community Improvement Association; Carroll Gardens Association; Chhaya CDC; Cooper Square Committee; Lower East People’s Federal Credit Union; New York Communities for Change; NYPIRG; members of Picture the Homeless; Mott Haven/Port Morris Community Land Stewards (South Bronx Unite); and University Neighborhood Housing Program.

Here are but two examples of significant achievements this year:

- New Economy Project co-drafted and advocated for passage of a state bill to prohibit debt collectors from seizing New Yorkers’ stimulus payments. The bill has already passed both houses of the NYS Legislature, and now awaits the governor’s signature.
- With co-counsel, we reached a global settlement in two related class action lawsuits described above. The settlement benefits thousands of New Yorkers and brings hundreds of thousands of dollars in monetary relief, along with mass vacatur of judgments valued at $171 million dollars.
Impact Cases

**Robinson v. New York City Transit Authority (NYCTA)**

New Economy Project carried out extensive work on a federal class action lawsuit, filed with co-counsel in February 2019, against the NYC Transit Authority, an arm of the Metropolitan Transportation Authority (MTA). The civil rights lawsuit alleges due process violations, and challenges the Transit Authority’s seizures of people’s state tax refunds to collect on default judgments—some going back 20 years or more—without legally-required notice or opportunity to review documents that might justify the agency’s actions. The lawsuit alleges that the Transit Authority fails to provide even the most basic documents about the alleged violations—including copies of the underlying tickets—making it all but impossible for people to effectively contest the default judgments against them. We brought the lawsuit on behalf of New Yorkers, many of whom initially contacted our organization through our NYC Financial Justice Hotline.

This grant year, the court granted our motion for class certification. We also filed a motion for summary judgment, and opposed a summary judgment motion filed by defendant. The lawsuit is projected to provide relief of New Yorkers harmed by the Transit Authority’s due process violations, including people of color, formerly and currently incarcerated New Yorkers, and formerly and currently homeless New Yorkers. An immediate benefit: within weeks from filing our lawsuit, the Transit Authority reduced the exorbitant $10 fee it charged people, per document, to $1. This action substantially lessened a major barrier faced by people seeking to obtain copies of alleged summonses, needed to contest actions taken against them.

We estimate that there are already 850,000 beneficiaries of the lawsuit, thanks to a change in the NYC Transit Authority’s policy with regard to its handling and disposition of requests by New Yorkers to vacate default judgments. NCLEJ, also an IOLA Fund grantee, is co-counseling the case. We estimate New Economy Project’s “portion” of benefits secured at 50%, which translates to 425,000 beneficiaries and total dollar benefits of $150,378.

**Sanders v. Houslanger & Assocs.**

We filed Sanders v. Houslanger & Assocs., a federal class action lawsuit, with co-counsel in 2017, along with a similar state class action lawsuit, Bostic v. Houslanger & Assocs. Brought on behalf of low-income New Yorkers, the Sanders case alleges that a debt collection law firm and its debt buyers clients violated federal debt collection and state consumer protection laws by collecting on judgments they knew were obtained through fraud.

We settled the case successfully this grant year, providing gigantic economic benefits to the class. As a result of our litigation, defendants are barred from enforcing or selling approximately 25,000 fraudulently-obtained default judgments, which carry an estimated face value, combined, of approximately $171 million. These default judgments are to be vacated en masse through forthcoming state court action by the NYS Attorney General. The settlement also included a distribution of $318,000 to class members.

We estimate that we are responsible for $32.49 million of total benefits gained from the mass vacatur of default judgments. Of the approximately 25,000 people in the class, New Economy Project reports its “portion” of as 4,750 people, and its “portion” of direct dollars distributed at $60,420. (Note: It is our understanding that co-counsel NCLEJ last year reported a total cash distribution of $385,000, and an estimated total face value of default judgments at $40 million.)
**Trainings**

We foster the professional development of staff through the following:

- **Customized training for legal hotline** – Our legal director has created a detailed training plan, used with all new paralegals, attorneys, legal volunteers, and law interns. She provides extensive hands-on training, and introduces new levels of the training, as staff members and volunteers gain skills and experience.

- **Professional skills training & networking** – We strongly encourage all staff to attend conferences, trainings, and webinars. Staff regularly participate in, and sometimes present at, annual conferences convened, for example, by the National Consumer Law Center, Consumer Federation of America, National Community Reinvestment Coalition, and Grounded Solutions. These are key opportunities for skills training and networking.

- **Subject matter training** – Staff also participate in topical trainings, as organized by Americans for Financial Reform, Center for Responsible Lending and others.

- **CLE/PLI's Pro Bono Privileged Membership** – PLI provides our staff with free, unlimited access to its extensive CLE offerings, which our attorneys frequently use.

- **Learning stipends** – On top of covering all expenses for staff to attend ongoing trainings and conferences, each staff member is eligible to receive an annual “learning stipend,” which they may use to pursue work-related training that they identify as helpful.

New board members are typically “on-boarded” by our co-directors and board leadership. The training tends to be very hands-on; they discuss the mission and background of the organization; expectations for board members; and current program work.

**Technology**

We are especially excited to report on our work with F.Y. Eye, which is publicizing our hotline through its digital PSA network throughout New York City. Below are just a few sample memes our team produced, which are now being featured on electronic kiosks and other screens F.Y. Eye has set up in public hospitals, senior centers, community centers, and the like.

We have also used the new memes in social media, as part of a new round of outreach for our legal services and extensive pro se and know-your-rights material.

This year, we devised our first-ever online intake form, in English and Spanish, for our legal hotline. After beta-testing for several weeks, we officially launched the online form in early 2021, and it is now included in all our public outreach material. The online form facilitated 47 new intakes in just the few weeks it was available this grant year. It has enhanced our efficiency, particularly with respect to triage, and enabled New Yorkers to reach us at their convenience, not just during our scheduled hotline hours.

We also purchased a subscription to a virtual telephone system, which includes a helpful SMS/texting feature. The system has enabled us to staff the hotline remotely, stack calls, and communicate with callers via text.
Pro Bono Volunteer Involvement

Although we have a small legal program, we are dedicated to working with volunteers and law student interns. We recruit for law interns every year, especially through email blasts, web postings, and social media. We also publicize our law student internship positions through connections with area law schools and civil rights and other social justice programs, such as the Hays Program at NYU Law School.

That said, given the pandemic, we have limited our legal internship program to summer only (rather year-round). In summer 2020, we worked with a NYU law student intern, and we have successfully recruited a law intern for summer 2021. Law interns are integrated into the organization and work; they attend staff meetings, work on hotline, complete legal research and writing assignments, and gain exposure to policy advocacy, model bill-drafting, and the like.

This grant year, we expanded our pro bono relationship with the Arent Fox LLP law firm, thanks to a partner at the firm who has been deeply engaged with our public banking initiative. We recently met to discuss pro bono opportunities through the firm’s Center for Racial Equality, and hope to work with the firm on our community land trust and other community-led economic development initiatives.

Sources Of Funding

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<td>City and County Funding</td>
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