

# STATE OF NEW YORK

3705

2019-2020 Regular Sessions

## IN SENATE

February 13, 2019

Introduced by Sen. KAVANAGH -- read twice and ordered printed, and when printed to be committed to the Committee on Consumer Protection

AN ACT to amend the general business law, in relation to debt collection procedures

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Article 29-H of the general business law, as added by chapter 753 of the laws of 1973, subdivision 4 of section 600 as added by chapter 471 of the laws of 2018, subdivision 9 of section 601 as amended and subdivision 11 of section 601 as added by chapter 342 of the laws of 2011, subdivision 11 as renumbered and subdivision 10 of section 601 as added by chapter 312 of the laws of 2018, section 601-a as added by chapter 471 of the laws of 2018 and subdivision 3 of section 602 as added by chapter 342 of the laws of 2011, is amended to read as follows:

### ARTICLE 29-H

#### DEBT COLLECTION PROCEDURES

Section 600. Definitions.

601. Prohibited creditor practices.

601-a. Disclosure by [~~principal~~] creditors and/or debt collection agencies.

602. [~~Violations and penalties~~] Creditor responsibilities.

603. [~~Severability~~] Prohibited debt collection practices.

603-a. Selling or transferring of debts.

603-b. Private right of action.

603-c. Violations and penalties.

603-d. Severability.

§ 600. Definitions. As used in this article, unless the context or subject matter otherwise requires:

1. "[~~Consumer claim~~] Debt" or "consumer debt" means any obligation or alleged obligation of a natural person for the payment of money [~~or its equivalent which is or is alleged to be in default and which arises~~]

EXPLANATION--Matter in italics (underscored) is new; matter in brackets [~~-~~] is old law to be omitted.

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1 arising out of a consumer transaction wherein credit has been offered or  
2 extended to a natural person, and the money, property [~~or~~], insurance,  
3 service or services which [~~was~~] are the subject of the transaction [~~was~~]  
4 are primarily for personal, family or household purposes, whether or not  
5 such obligation has been reduced to a judgment. The term includes an  
6 obligation of a natural person who is a co-maker, endorser, guarantor or  
7 surety as well as the natural person to whom such credit was originally  
8 extended.

9 2. "Debtor" means any natural person who owes or who is asserted to  
10 owe a [~~consumer claim~~] consumer debt.

11 3. "[~~Principal creditor~~] Creditor" means any person, firm, associ-  
12 ation, corporation, [~~or~~] organization [~~to whom~~] or other business entity  
13 that offers or extends credit, creating a consumer [~~claim is~~] debt owed,  
14 due or asserted to be due or owed, [~~or any assignee for value of said~~  
15 ~~person, firm, corporation or organization~~] but such term does not  
16 include any person, association, firm, corporation, organization or  
17 other business entity to the extent that it receives an assignment or  
18 transfer of a debt in default solely for the purpose of facilitating  
19 collection of such debt for another.

20 4. "Communication" means the conveying of information regarding a debt  
21 directly or indirectly to any person through any medium.

22 5. "Consumer" means any natural person obligated or allegedly obli-  
23 gated to pay any debt arising out of a transaction in which the money,  
24 property, insurance, or services which are the subject of the trans-  
25 action are primarily for personal, family, or household purposes, wheth-  
26 er or not such obligation has been reduced to judgment.

27 6. "Debt collection agency" shall mean a person, firm or corporation  
28 engaged in business, the principal purpose of which is to regularly  
29 collect or attempt to collect debts: (a) owed or due or asserted to be  
30 owed or due to another; or (b) obtained by, or assigned to, such person,  
31 firm or corporation, that are in default when obtained or acquired by  
32 such person, firm or corporation.

33 7. "Location information" means a consumer's place of abode and his or  
34 her telephone number at such place, or his or her place of employment.

35 8. "Verification of the debt" means a copy of the last bill or notice  
36 of collection sent from the creditor to the debtor, any judgment levied  
37 in conjunction with such debt, and, if applicable, a copy of the judg-  
38 ment release and a copy of the written communication advising the debtor  
39 that his or her debt has been sold or transferred.

40 § 601. Prohibited creditor practices. No [~~principal~~] creditor, as  
41 defined by this article, or his or her agent shall:

42 1. Simulate in any manner a law enforcement officer, or a represen-  
43 tative of any governmental agency of the state of New York or any of its  
44 political subdivisions; or

45 2. Knowingly collect, attempt to collect, or assert a right to any  
46 collection fee, attorney's fee, court cost or expense unless such  
47 [~~changes~~] charges are justly due and legally chargeable against the  
48 debtor; or

49 3. Disclose or threaten to disclose information affecting the debtor's  
50 reputation for credit worthiness with knowledge or reason to know that  
51 the information is false; or

52 4. Communicate or threaten to communicate the nature of a consumer  
53 [~~claim~~] debt to the debtor's employer prior to obtaining final judgment  
54 against the debtor. The provisions of this subdivision shall not  
55 prohibit a [~~principal~~] creditor from communicating with the debtor's

1 employer to execute a wage assignment agreement if the debtor has  
2 consented to such an agreement; or

3 5. Disclose or threaten to disclose information concerning the exist-  
4 ence of a debt known to be disputed by the debtor without disclosing  
5 that fact; or

6 6. Communicate with the debtor or any member of his or her family or  
7 household at any time other than between the hours of 8:00 A.M. and 9:00  
8 P.M. local time or with such frequency [~~or at such unusual hours~~] or in  
9 such a manner as can reasonably be expected to abuse or harass the  
10 debtor; or

11 7. Threaten any action which the [~~principal~~] creditor in the usual  
12 course of his or her business does not in fact take; or

13 8. Claim, or attempt or threaten to enforce a right with knowledge or  
14 reason to know that the right does not exist; or

15 9. Use a communication which simulates in any manner legal or judicial  
16 process or which gives the appearance of being authorized, issued or  
17 approved by a government, governmental agency, or attorney at law when  
18 it is not; or

19 10. Remotely disable a vehicle using a payment assurance device  
20 defined in paragraph sixty-a of subsection (a) of section 9-102 of the  
21 uniform commercial code or by any other means in order to repossess a  
22 debtor's vehicle without first having given written notice of the possi-  
23 ble remote disabling of a vehicle in the method and timetable agreed  
24 upon by the consumer and the creditor in the initial contract for  
25 services. The notice shall be mailed by registered or certified mail to  
26 the address at which the debtor will be residing on the expected date of  
27 the remote disabling of the vehicle. The notice shall be postmarked no  
28 later than ten days prior to the date on which the [~~principal~~] creditor  
29 or his or her agent obtains the right to remotely disable the vehicle;  
30 or

31 11. If such [~~principal~~] creditor or agent sends more than fifty infor-  
32 mation subpoenas per month, fail to keep complete records concerning all  
33 information subpoenas sent by such [~~principal~~] creditor or agent. Such  
34 records shall be maintained for five years. Contemporaneous records  
35 shall be kept that set forth with specificity the grounds for such  
36 [~~principal~~] creditor or agent's reasonable belief, which must be certi-  
37 fied and accompany each information subpoena pursuant to rule fifty-two  
38 hundred twenty-four of the civil practice law and rules, that the party  
39 receiving the subpoena has in its possession information about the  
40 debtor that will assist the creditor in collecting his or her judgement.  
41 In addition to any other penalty that may be imposed, failure to main-  
42 tain records in accordance with this subdivision shall subject such  
43 [~~principal~~] creditor or agent to a civil penalty of not more than fifty  
44 dollars per subpoena, up to a maximum of five thousand dollars per  
45 violation, in an action brought by the attorney general[~~or~~].

46 § 601-a. Disclosure by [~~principal~~] creditors and/or debt collection  
47 agencies. No [~~principal~~] creditors and/or debt collection agencies shall  
48 make any representation that a person is required to pay the debt of a  
49 family member in a way that contravenes with the Fair Debt Collection  
50 Practices Act (15 USC § 1692 et seq.). In addition, the [~~principal~~]  
51 creditors and/or debt collection agencies shall not make any misrepres-  
52 entation about the family member's obligation to pay such debts.

53 § 602. Creditor responsibilities. Every creditor or his or her agent  
54 shall send a notice to the last known address of the debtor advising the  
55 debtor when his or her debt is being sold or transferred, prior to or  
56 contemporaneous with the sale of the debt. A copy of this notice shall

1 be transmitted to the person, firm, organization or entity to whom the  
2 creditor or his or her agent has agreed to sell or transfer the debt,  
3 along with a copy of any notice in regard to the debt provided to the  
4 creditor in accordance with paragraph (b) of subdivision seven of  
5 section six hundred three of this article. A creditor shall provide a  
6 copy of such notice to any debt collection agency hired to collect such  
7 debt.

8 § 603. Prohibited debt collection practices. It is an unconscionable  
9 and deceptive trade practice for a debt collection agency to attempt to  
10 collect a debt owed, due, or asserted to be owed or due except in  
11 accordance with the following:

12 1. Acquisition of location information. Any debt collection agency  
13 communicating with any person other than the consumer for the purpose of  
14 acquiring location information about the consumer in order to collect a  
15 debt shall:

16 (a) identify himself or herself, state that he or she is confirming or  
17 correcting location information about the consumer, and, only if  
18 expressly requested, identify his or her employer;

19 (b) not state or imply that such consumer owes any debt;

20 (c) not communicate with any such person more than once, unless  
21 requested to do so by such person or unless the debt collection agency  
22 reasonably believes that the earlier response of such person is errone-  
23 ous or incomplete and that such person now has correct or complete  
24 location information. For the purposes of this paragraph, the debt  
25 collection agency need not count as a communication returned unopened  
26 mail or a message left with a party other than the person the debt  
27 collection agency is attempting to reach in order to acquire location  
28 information about the consumer, as long as the message is limited to a  
29 telephone number, the name of the debt collection agency and a request  
30 that the recipient telephone the debt collection agency;

31 (d) not communicate by post card;

32 (e) not use any language or symbol on any envelope or in the contents  
33 of any communication effected by the mails or telegram that indicates  
34 that the debt collection agency is in the debt collection business or  
35 that the communication relates to the collection of a debt, provided  
36 that a debt collection agency may use its business name or the name of a  
37 department within its organization as long as any name used does not  
38 connote debt collection; and

39 (f) if the debt collection agency knows the consumer is represented by  
40 an attorney with regard to the subject debt and if the debt collection  
41 agency has knowledge of the attorney's name and address or can readily  
42 ascertain such attorney's name and address, not communicate with any  
43 person other than that attorney for the purpose of acquiring location  
44 information about the consumer unless the attorney fails to provide the  
45 consumer's location within a reasonable period of time after a request  
46 for the consumer's location from the debt collection agency and:

47 (i) informs the debt collection agency that he or she is not author-  
48 ized to accept process for the consumer, or

49 (ii) fails to respond to the debt collection agency's inquiry about  
50 the attorney's authority to accept process within a reasonable period of  
51 time after the inquiry.

52 2. Communication in connection with debt collection. (a) Without the  
53 prior written consent of the consumer given directly to the debt  
54 collection agency after the institution of debt collection procedures,  
55 or without permission of a court of competent jurisdiction, a debt

1 collection agency shall not communicate with the consumer in connection  
2 with the collection of any debt:

3 (i) orally, at any time other than between the hours of 8:00 A.M. and  
4 9:00 P.M. local time or any unusual place known, or which should be  
5 known, to be inconvenient to the consumer;

6 (ii) at the consumer's place of employment. If the debt collection  
7 agency has received consent from the consumer to communicate with the  
8 consumer at the consumer's place of employment, the debt collection  
9 agency may communicate with the consumer, unless the debt collection  
10 agency knows or has reason to know that the consumer's employer or  
11 supervisor prohibits the consumer from receiving such a communication;  
12 or

13 (iii) with excessive frequency. In the absence of knowledge of circum-  
14 stances to the contrary, a debt collection agency shall assume that more  
15 than twice during a seven-calendar-day period is excessively frequent.  
16 In making its calculation, the debt collection agency need not include  
17 any communication between a consumer and the debt collection agency  
18 which is in response to an oral or written communication from the  
19 consumer, or returned unopened mail, or a message left with a party  
20 other than one who is responsible for the debt as long as the message is  
21 limited to a telephone number, the name of the debt collection agency  
22 and a request that one who is responsible for the debt telephone the  
23 debt collection agency; or any communication which is required by law or  
24 chosen from among alternatives of which one is required by law.

25 (b) In order to collect a debt, and except as provided by subdivision  
26 one of this section, without the prior written consent of the consumer  
27 given directly to the debt collection agency after the institution of  
28 debt collection procedures, or without the prior written consent of the  
29 consumer's attorney or without the express permission of a court of  
30 competent jurisdiction, or as reasonably necessary to effectuate a post  
31 judgment judicial remedy, a debt collection agency may not communicate,  
32 in connection with the collection of any debt, with any person other  
33 than the consumer, his or her attorney, a consumer reporting agency if  
34 otherwise permitted by law, the creditor, the attorney of the creditor,  
35 or attorney of the debt collection agency.

36 (c) After institution of debt collection, a debt collection agency  
37 shall not communicate with a consumer with respect to a debt if the  
38 consumer has notified the debt collection agency in writing that the  
39 consumer refuses to pay a debt or wishes the debt collection agency to  
40 cease further communication with the consumer with respect to that debt,  
41 except:

42 (i) to advise the consumer that the debt collection agency's further  
43 efforts are being terminated;

44 (ii) to notify the consumer that the debt collection agency may invoke  
45 specified remedies which are ordinarily invoked by such debt collection  
46 agency;

47 (iii) where applicable, to notify the consumer that the debt  
48 collection agency intends to invoke a specified remedy; or

49 (iv) to respond to each subsequent communication from the consumer.

50 (d) For the purpose of this subdivision the term "consumer" includes  
51 the consumer's parent (if the consumer is a minor), guardian, executor,  
52 administrator, and spouse (unless the debt collection agency knows or  
53 has reason to know that the consumer is legally separated from or no  
54 longer living with his or her spouse), or an individual authorized by  
55 the consumer to make purchases against the account which is the subject  
56 of the collection efforts. A request that the debt collection agency



1 cease further communication, provided for under this subdivision, if  
2 made by the consumer's spouse or an individual authorized by the consum-  
3 er to make purchases against the account, only affects the debt  
4 collection agency's ability to communicate further with the person  
5 making the request.

6 3. Harassment or abuse. A debt collection agency shall not harass,  
7 oppress or abuse any person in connection with the collection of a debt.  
8 Without limiting the general application of the foregoing, the following  
9 conduct is prohibited:

10 (a) the use or threat of violence or other criminal means to harm the  
11 physical person, reputation, or property of any person;

12 (b) the use of obscene or profane language or language the natural  
13 consequence of which is to abuse the recipient of the communication;

14 (c) the advertisement for sale of any debt to coerce payment of the  
15 debt;

16 (d) causing a telephone to ring or engaging any person in telephone  
17 conversation repeatedly or continuously with intent to annoy, abuse, or  
18 harass any person at the called number;

19 (e) the publication of a list of consumers who allegedly refuse to pay  
20 debts, except to another employee of the debt collection agency's  
21 employer or to a consumer reporting agency or to persons meeting the  
22 requirements of 15 USC 1681a(f) or 15 USC 1681b(3); or

23 (f) except as provided by subdivision one of this section, the place-  
24 ment of telephone calls without meaningful disclosure of the caller's  
25 identity.

26 4. False or misleading representations. A debt collection agency shall  
27 not make any false, deceptive, or misleading representation or means in  
28 connection with the collection of any debt. Without limiting the general  
29 application of the foregoing, the following conduct is prohibited:

30 (a) the false representation or implication that the debt collection  
31 agency is vouched for, bonded by, or affiliated with the United States  
32 or any state, including the use of any badge, uniform or facsimile ther-  
33 eof;

34 (b) the false representation of:

35 (i) the character, amount, or legal status of any debt, or

36 (ii) any services rendered or compensation which may be lawfully  
37 received by any debt collection agency for the collection of a debt;

38 (c) the false representation or implication that any individual is an  
39 attorney or any communication is from an attorney;

40 (d) the representation or implication that nonpayment of any debt will  
41 result in the arrest or imprisonment of any person or the seizure,  
42 garnishment, attachment, or sale of any property or wages of any person  
43 unless such action is lawful and the debt collection agency or creditor  
44 intends to pursue such action;

45 (e) the threat to take any action that cannot legally be taken or that  
46 is not intended to be taken;

47 (f) the false representation or implication that a sale, referral, or  
48 other transfer of any interest in a debt shall cause the consumer to:

49 (i) lose any claim or defense to payment of the debt; or

50 (ii) become subject to any practice prohibited by this article;

51 (g) the false representation or implication made in order to disgrace  
52 the consumer that the consumer committed any crime or other conduct;

53 (h) the false representation or implication that accounts have been  
54 turned over to innocent purchasers for value;

1 (i) communicating or threatening to communicate to any person credit  
2 information which is known or which should be known to be false, includ-  
3 ing the failure to communicate a disputed debt's status as disputed;

4 (j) the false representation or implication that documents are legal  
5 process;

6 (k) the use of any false representation or deceptive means to collect  
7 or attempt to collect any debt or to obtain information concerning a  
8 consumer;

9 (l) the use or distribution of any written communication which simu-  
10 lates or is falsely represented to be a document authorized, issued, or  
11 approved by any court, official or agency of the United States, the  
12 state or any political subdivision thereof, or which creates a false  
13 impression as to its source, authorization, or approval;

14 (m) the false representation or implication that documents are not  
15 legal process forms and do not require action by the consumer;

16 (n) the false representation or implication that a debt collection  
17 agency operates or is employed by a consumer reporting agency as defined  
18 by 15 USC 1681a(f);

19 (o) except as otherwise provided under subdivision one of this section  
20 and except for any communication which is required by law or chosen from  
21 among alternatives of which one is required by law, or any formal plead-  
22 ing in connection with any legal action, the failure to disclose clearly  
23 in all communications made to collect a debt or to obtain information  
24 about a consumer, that the debt collection agency is attempting to  
25 collect a debt and that any information obtained will be used for that  
26 purpose; or

27 (p) the use of any business, company, or organization name other than  
28 the true name of the debt collection agency's business, company, or  
29 organization.

30 5. Unfair practices. A debt collection agency shall not use any unfair  
31 or unconscionable means to collect or attempt to collect a debt. Without  
32 limitation of the foregoing, such prohibited conduct includes:

33 (a) the collection of any amount (including any interest, fee, charge,  
34 or expense incidental to the principal obligation) unless such amount is  
35 expressly authorized by the agreement creating the debt;

36 (b) the solicitation or use by a debt collection agency of any post-  
37 dated check or other postdated payment instrument for the purpose of  
38 threatening or instituting criminal prosecution;

39 (c) causing charges to be made to any person for communications by  
40 misrepresentation of true purpose of the communication. Such charges  
41 include collect telephone calls, telegram and wireless telephone fees;

42 (d) taking or threatening to take any nonjudicial action to effect  
43 dispossession or disablement of property if:

44 (i) there is no present right to possession of the property claimed as  
45 collateral;

46 (ii) there is no present intention to take possession of the property;  
47 or

48 (iii) the property is exempt by law from such dispossession or disa-  
49 blement;

50 (e) communicating with a consumer regarding a debt by post card;

51 (f) using any language or symbol, other than the debt collection agen-  
52 cy's address, on any envelope when communicating with a consumer by use  
53 of the mails or by telegram, or electronic communication copied to a  
54 third party except that a debt collection agency may use its business  
55 name or the name of a department within its organization as long as any

1 name used does not indicate that he or she is in the business of debt  
2 collection;

3 (g) communicating with a consumer regarding a debt without identifying  
4 himself or herself and his or her employer or communicating in writing  
5 with a consumer regarding a debt without identifying himself or herself  
6 by name and address; or

7 (h) if any consumer owes multiple debts and makes any single payment  
8 to any debt collection agency with respect to such debts, such debt  
9 collection agency may not apply such payment to any debt which is  
10 disputed by the consumer and, where applicable, shall apply such payment  
11 in accordance with the consumer's directions.

12 6. Deceptive forms. It is unlawful for any person to design, compile  
13 and furnish any form knowing that such form would be used to create the  
14 false belief in a consumer that a person other than the creditor of such  
15 consumer is participating in the collection of or in an attempt to  
16 collect a debt such consumer allegedly owes such creditor, when in fact  
17 such person is not so participating.

18 7. Validation of debts. The following validation procedures shall be  
19 followed by debt collection agencies:

20 (a) Within five days after the initial communication with a consumer  
21 in connection with the collection of any debt, a debt collection agency  
22 shall, unless the following information is contained in the initial  
23 communication or the consumer has paid the debt, send the consumer a  
24 clear written notice titled "debtor's rights", which shall contain:

25 (i) the delineated amounts of the original debt, any interest and  
26 penalties accrued, and the total debt due at the time of the notice,

27 (ii) the name, address and telephone number of the creditor to whom  
28 the debt is owed, or such creditor's agent, and the name, address and  
29 telephone number of the original creditor, if different from the current  
30 debt collection agency,

31 (iii) the date the debt was deemed in default,

32 (iv) a statement that unless the consumer, within thirty days after  
33 receipt of the notice, disputes the validity of the debt, or any portion  
34 thereof, the debt will be assumed valid by the debt collection agency,  
35 and

36 (v) a statement that, if the consumer notifies the debt collection  
37 agency in writing within the thirty-day period at the address designated  
38 by the debt collection agency in the notice, that the debt, or any  
39 portion thereof is disputed, the debt collection agency will obtain  
40 verification of the debt against the consumer and a copy of such verifi-  
41 cation will be mailed to the consumer by the debt collection agency.

42 (b) If the consumer notifies the debt collection agency in writing  
43 within the thirty-day period described in paragraph (a) of this subdivi-  
44 sion that the debt, or any portion thereof is disputed, or if notice of  
45 such dispute is given to the debt collection agency in accordance with  
46 this article, the debt collection agency shall not attempt to collect  
47 the amount in dispute until the debt collection agency obtains and mails  
48 to the consumer verification of the debt. A debt collection agency that  
49 receives such written notice shall provide a copy thereof to the owner  
50 of the debt.

51 (c) The debt collection agency shall maintain for one year from the  
52 date the debtor's rights notice was mailed, documentation of the date  
53 such notice was mailed, the date the response, if any, was received and  
54 any action taken following such response.



(d) The failure of a consumer to dispute the validity of a debt under this section shall not be construed by any court as an admission of liability by the consumer.

(e) The sending or delivery of any form or notice which does not relate to debt collection and is expressly required by the Internal Revenue Code of 1986, title V of the Gramm-Leach-Bliley Act, or any provision of federal or state law relating to notice of data security breach or privacy, or any regulation prescribed under any such provision of law, shall not be treated as an initial communication in connection with debt collection for purposes of this section.

(f) If the consumer notifies the debt collection agency in writing after the thirty-day period described in paragraph (a) of this subdivision that the debt, or any portion thereof is disputed, the debt collection agency shall obtain verification of the debt, and mail such verification to the consumer. The debt collection agency may continue to attempt to collect the amount in dispute.

§ 603-a. Selling or transferring of debts. Every debt purchaser or his or her agent shall send a notice to the last known address of the debtor advising the debtor when the debt purchaser sells or transfers the debt, prior to or contemporaneous with the sale of the debt. A copy of such notice shall be transmitted to the person, firm, organization or entity to whom the debt purchaser or his or her agent has agreed to sell or transfer the debt along with a copy of any notice in regard to the debt provided to the debt purchaser in accordance with paragraph (b) of subdivision seven of section six hundred three of this article. A debt purchaser shall provide a copy of such notice to any debt collection agency hired to collect such debt.

§ 603-b. Private right of action. 1. Notwithstanding any right of action granted to any governmental body pursuant to this article, any person who has been injured by reason of violation of this article may bring an action against any person or persons, to enjoin such unlawful act, and to recover an amount equal to (a) any actual damage sustained by such person as a result of such failure, and (b) such additional damages as the court may allow but not exceeding two thousand five hundred dollars, and reasonable attorneys' fees.

2. Intent. A debt collection agency may not be held liable in any action brought under this article, absent actual damage to the consumer, if the debt collection agency shows by a preponderance of evidence that the violation was not intentional and resulted from a bona fide error notwithstanding the maintenance of procedures reasonably adopted to avoid any such error.

3. Limitations. An action to enforce any liability created by this article may be brought in any other court of competent jurisdiction, within two years from the date on which the violation occurs.

§ [602-] 603-c. Violations and penalties. 1. Except as otherwise provided by law, any person who [~~shall violate~~] violates the terms of this article [~~shall be~~] is guilty of a misdemeanor, and each such violation shall be deemed a separate offense.

2. The attorney general or the district attorney of any county may bring an action in the name of the people of the state to restrain or prevent any violation of this article or any continuance of any such violation.

3. Any aggrieved person or entity served with more than fifty information subpoenas per month by a [~~principal~~] creditor or his or her agent shall also have a cause of action to challenge compliance with subdivision [~~ten~~] eleven of section six hundred one of this article and/or the

1 certification requirements of rule fifty-two hundred twenty-four of the  
2 civil practice law and rules. In such action, a successful plaintiff  
3 shall be awarded ten dollars for each information subpoena served upon  
4 such plaintiff where it is shown that the required certification for  
5 such information subpoena was not made pursuant to rule fifty-two  
6 hundred twenty-four of the civil practice law and rules, that the  
7 required record for such information subpoena was not maintained pursu-  
8 ant to subdivision [~~ten~~] eleven of section six hundred one of this arti-  
9 cle, or that the specific grounds for the certification required to  
10 accompany such information subpoena pursuant to rule fifty-two hundred  
11 twenty-four of the civil practice law and rules were not reasonable. A  
12 successful plaintiff may also be awarded court costs and attorney fees.

13 § [~~603-~~] 603-d. Severability. If any provision of this article or the  
14 application thereof to any person or circumstances is held invalid the  
15 invalidity thereof shall not affect other provisions or applications of  
16 the article which can be given effect without the invalid provision or  
17 application, and to this [~~and~~] end the provisions of this article are  
18 severable.

19 § 2. This act shall take effect on the first of January next succeed-  
20 ing the date on which it shall have become a law, provided, however,  
21 that:

22 (a) section 602, subdivision 7 of section 603 and section 603-a of the  
23 general business law, as added by this act, shall apply only to debts  
24 incurred on or after the effective date of such sections; and

25 (b) if chapter 471 of the laws of 2018 shall not have taken effect on  
26 or before such date then section one of this act shall take effect on  
27 the same date and in the same manner as such chapter of the laws of  
28 2018, takes effect.