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**MEDIA CONTACT:** Jake Egloff, [egloff@nyassembly.gov](mailto:egloff@nyassembly.gov), (518) 455-4174  
Martha Mahoney, [mahoneym@nyassembly.gov](mailto:mahoneym@nyassembly.gov), (518) 455-4174

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## Assemblymember Fahy Introduces the New York Taxpayer and International Debt Crises Protection Act

*Legislation aimed at reducing debt crises in developing world, stress on supply chains, and protecting U.S. taxpayers*

**Albany, NY (Sep. 14)** – Today, Assemblymember Patricia Fahy was joined by local clergy, advocates, and elected officials to announce introduction of the [New York Taxpayer and International Debt Crises Protection Act \(A.10595 Fahy\)](#), requiring private creditors to join debt relief initiatives for developing nations struggling with debt crises, the COVID-19 pandemic, and Ukraine war-related economic shocks. Additionally, the bill prevents tax money that funds United States' contributions to debt relief initiatives from becoming a bailout for private creditors and enables debtor countries to support spending on health, education, and other services for the most vulnerable.

Under the leadership of the United States, G20 countries established a process that allows 73 of the world's poorest countries to obtain debt relief from all creditors. Although the [G20 and US government were clear that private creditors should provide debt relief](#), private creditors have not announced any debt relief agreements to date. Making debt relief provision more rapid and efficient will reduce shocks that disrupt supply chains and trade partnerships on which New York and the U.S. economy and consumers rely, which have been strained due to the COVID-19 pandemic.

Lastly, the bill will support international financial system stability, critical to the prosperity of not just the global financial sector, but the United States' and New York's as well. Given New York State's central position as the world's leading financial hub, the state is well-positioned to enact these changes on a large scale. Over 50% of the world's debt held by private creditors is contracted under New York State law.

"The global COVID-19 pandemic, Ukraine invasion, and climate disaster have all laid bare just how interconnected the global economy has become today," **said Assemblymember Patricia Fahy**. "New York is the world's global financial hub — positioning us well to enact basic changes that will ensure debt relief for developing nations through investments in sustainable growth, infrastructure and more. Not only will this legislation protect U.S. taxpayers, it will spur new development and growth within the global economy, reduce stress on international supply chains, and establish clear strategies for growth in nations burdened by massive amounts of

debt. I'm proud to introduce the New York Taxpayer and International Debt Crises Protection Act and look forward to working on this issue with my colleagues in the state legislature."

"Developing nations around the world are facing unprecedented debt crises," **said Assemblymember Michaele Solages**. "The financial stress of this debt almost solely falls on people of color in the Global South. This much-needed legislation will not only provide relief for these communities but also protect New Yorkers from supply shortages and global financial shocks at no cost to us."

"The pandemic pushed many developing countries into debt and economic crises," **said Eric LeCompte, Executive Director, Jubilee USA Network**. "Countries can get help resolving debt crises under New York law and the new legislation ensures countries get the relief they need. Because we trade with these countries, resolving debt crises helps resolve supply and economic shocks we face at home."

"The New York Taxpayer and International Debt Crises Protection Act is an important piece of long-overdue legislation, and I applaud Assembly Member Fahy for introducing a bill that will not only help New York taxpayers but the global community in which we all live," **said Ron Deutsch, Director, New Yorkers for Fiscal Fairness**. "This bill would simply require private creditors to abide by the same rules as public creditors to ensure developing countries with significant debt burdens can survive their economic hardships. It makes complete sense for this bill to be introduced in New York State as 52 percent of sovereign bonds are held by creditors right here in the Big Apple. Whether it be from war, famine, natural disasters, or other unforeseen problems, we need to ensure that these countries can spend their limited funds on feeding the hungry, providing life saving vaccines, and healthcare, rather than on outrageously high debt service payments."

"The New York State Council of Churches is pleased to support passage of the New York Taxpayer and International Debt Crises Protection Act," **said Rev. Peter Cook, Executive Director, New York State Council of Churches**. "It is important that the allowances for debt relief for struggling countries which are made by the public sector also apply to lenders from the private sector--52% percent of whom are located in New York. New York, more than most states, has always had a global reach and the ability to make an outsized impact on countries which struggle. So many of our residents have loved ones in countries affected by the debt crisis. It's time for New York to use its unique power and position to affect the world economy and be an instrument for justice while also caring for our neighbors."

"At the moral center of all our great faith traditions is a profound truth: We are all SO much more interconnected than we could ever imagine! Over the past few difficult years, we have been reminded of this truth again and again," **said Rev. Dustin G. Longmire, Pastor & Executive Director, Messiah Lutheran Church**. "We now remember the air I breathe affects the air you breathe. We now remember how the untold suffering of a war half a world away can make it difficult to feed our kids here at home. We now remember that one microscopic mutation in a community we have never visited can have global consequences. The New York Taxpayer and

International Debt Crises Protection Act reflects this historic time of remembering. It will not only protect our state's taxpayers, but will furthermore allow developing countries to put food on tables, vaccinate their populations, and grow their economies towards a more sustainable future.”

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