Developing countries’ debts have grown unsustainably large as the COVID pandemic, climate change, and the war in Ukraine have worsened these nations’ financial conditions. Instead of funding social services or meeting citizens’ basic needs, many debt-burdened countries send large portions of their budgets to lenders—a process that ultimately increases poverty in developing nations and destabilizes the global economy.

In the past, taxpayer-funded public creditors like the US have alleviated these debts with minimal help from commercial banks, hedge funds, and other private lenders. Despite holding 52% of the developing world’s private debt, private creditors with New York law contracts expect public lenders to resolve the debt crisis alone.

In response, Jubilee USA has proposed the New York Taxpayer & International Debt Crises Protection Act (A2970, S4747). Introduced by NY Assemblymember Pat Fahy and NY Senator Brad Hoylman-Sigal, the bill requires NY’s private lenders to provide the same level of debt relief as public creditors do.

**Summary:**

**THE NEW YORK TAXPAYER & INTERNATIONAL DEBT CRISSES PROTECTION ACT**

Assembly Bill A2970, Senate Bill S4747

What problems will this legislation address?

Developing countries’ debts have grown unsustainably large as the COVID pandemic, climate change, and the war in Ukraine have worsened these nations’ financial conditions. Instead of funding social services or meeting citizens’ basic needs, many debt-burdened countries send large portions of their budgets to lenders—a process that ultimately increases poverty in developing nations and destabilizes the global economy.

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**If implemented, this bill will:**

1. **Help combat poverty in the developing world**

   Debt-burdened nations struggle to meet vulnerable citizens’ basic needs. When private lenders offer their fair share of debt relief, low- and middle-income countries can spend less on loan repayment and more on social services, climate resilience, or public health.

2. **Stabilize the economy and reduce the costs of goods**

   Debt weakens developing economies. By expanding debt relief efforts, this legislation helps settle financial crises facing the US’s trading partners. Less crisis means cheaper goods for average Americans and a more stable global economy.

3. **Stop taxpayers from bailing out private creditors.**

   Currently, New Yorkers’ tax dollars help public creditors fund debt relief. However, developing nations use public creditors’ cash to repay private lenders. By limiting the amount of debt that private lenders can collect from developing countries, our legislation prevents your money from unfairly benefiting the wrong actors.

**Why propose this bill in New York?**

As the world's leading financial center, NY law governs the majority of the developing world’s debt contracts. Financial reforms in NY have an outsized influence on the world and can alleviate poverty, address climate disasters, and fight public health crises globally.
CONTACT YOUR SENATOR OR ASSEMBLYMEMBER

Senate Switchboard: 518-455-2800
Assembly Switchboard: 518-455-4100

Once you are connected with your senator or assemblymember's office:

Ask to leave a message. Below is some sample language you can use. If you have personal stories about people suffering in poor or developing countries, please share them.

Sample language:

"Hi this is ____________ and I live at (address) ____________. I'm calling to urge the passage of the NY Taxpayer and International Debt Crises Protection Act, Assembly Bill A2970/Senate Bill S4747 this upcoming legislative session. This NY legislation has the potential to better the lives of New Yorkers and of billions of people in developing countries around the world. Please cosponsor and strongly advocate for the prompt passage of this bill. Thank you!"

Contact us:

Please email Abby Nash at abby@jubileeusa.org and advocacy@jubileeusa.org and tell us what you learned. With your support, this bill could improve people's lives here in New York and around the world.