



MARYKNOLL OFFICE FOR GLOBAL CONCERNS
Peace, Social Justice and Integrity of Creation
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MEMORANDUM IN SUPPORT

Champerty Bill (S1477/A643A)

Sponsors: Senator Liz Krueger / Assemblymember Jessica González-Rojas

We write to urge the timely passage of the Champerty Bill (A643A/S1477). As a faith-based organization in New York State, our faith calls us to consider not only our personal responsibilities, but issues of justice, poverty, and dignity of the human person as they relate to public policy.

The world is facing a severe debt crisis. The International Monetary Fund estimates that nearly 70 countries – more than a third of the world – are in or at risk of debt distress. This severely limits countries' abilities to finance humanitarian needs, with the UN estimating that 3.4 billion people now live in countries that spend more on debt servicing than on education or health.

Amidst this crisis, New York State still retains a loophole in its law which allows predatory investors to seek profit from litigation against debt-distressed countries. These so-called "vulture funds" refuse to accept sovereign debt restructuring deals and instead drag embattled countries into court, disrupting the financial sector, harming both indebted countries and their cooperative creditors.

When countries in crisis are forced to divert scarce public resources toward prolonged legal battles and inflated court awards, the human cost is severe. Funds that could support health, education, and climate resilience are instead extracted through litigation – placing the greatest burden on the poor, the sick, and children.

Based in Ossining, Maryknoll represents thousands of New Yorkers—including priests, Brothers, Sisters, and lay missionaries—whose service in more than 25 countries provides us with a frontline perspective on how "vulture fund" litigation directly depletes funding for essential health and education services in the communities we serve. Our support for the Champerty Bill is rooted in this lived experience in the Global South, as we see firsthand how New York's current legal loopholes allow predatory interests to undermine the dignity of the human person and the stability of sovereign nations. By passing this legislation, the Assembly will ensure that New York's legal system reflects our state's values of fairness and restorative justice rather than serving as a tool for exploitation.

The Champerty Bill will close the loophole which has produced these destabilizing and unjust economic impacts that harm both New Yorkers and communities abroad. The legislation is narrowly written to apply only to notoriously litigious investors, exempting conventional investors who engage in good-faith negotiations.

New York State legislators must act quickly to pass the Champerty Bill and rectify New York's legal system for sovereign debt.

For more information, please contact: Susan Gunn, Director, sgunn@maryknollogc.org