

New York Attorney General Proposes Bill to Expand Consumer Protection Law

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On March 13, New York Attorney General Letitia James [announced](#) the introduction of the [Fostering Affordability and Integrity through Reasonable Business Practices Act](#) (FAIR Business Practices Act). The proposed legislation seeks to extend the state's existing ban on deceptive business practices to also prohibit unfair and abusive practices, aligning New York with 42 other states.

The bill, introduced in both state Senate and Assembly, would enhance enforcement capabilities for the Office of the Attorney General (OAG) and private consumers, including the ability to seek civil penalties and restitution for UDAAP violations. According to Attorney General James, the legislation is needed to tackle a host of consumer harms, including:

- Subscription cancellations. Preventing companies from making it unreasonably difficult for consumers to cancel recurring payments.
- Debt collection abuses. Prohibiting debt collectors from improperly seizing Social Security benefits or nursing homes from suing relatives of deceased residents for unpaid bills.
- Auto dealer practices. Prohibiting car dealerships from withholding a customer's photo identification until a sale is finalized.
- Student loan servicing misconduct. Restricting student loan servicers from steering borrowers into costlier repayment plans.
- Exploitation of limited English proficiency consumers. Addressing deceptive practices targeting non-English-speaking consumers.
- Junk fees and hidden costs. Reducing unnecessary and deceptive charges in various industries, including healthcare and lending.
- Artificial intelligence (AI) scams and online fraud. Strengthening enforcement against AI-driven scams, phishing schemes, and deceptive digital marketing practices.

The proposal has garnered support from former CFPB director Rohit Chopra and former FTC Chair Lina Khan, both of whom have emphasized the need for stronger state-level enforcement against deceptive and abusive business practices.

Putting It Into Practice: New York’s proposed legislation is the latest example of a growing trend among states taking a more active role in consumer protection enforcement (previously discussed [here](#) and [here](#)). This also highlights how some states are proactively responding to the CFPB’s state-level consumer protection recommendations from January, which encourage the adoption of the “abusive” standard (previously discussed [here](#)). With ongoing uncertainty surrounding the future of the CFPB, more states are likely to step in to fill the regulatory void by expanding their own consumer protection laws.

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