

**Testimony of Assistant Commissioner Carlos Ortiz
New York City Department of Consumer and Worker Protection
Before the Committees on
Consumer and Worker Protection and Civil and Human Rights
Oversight Hearing on Fair Lending Practices**

February 29, 2024

Introduction

Good afternoon, Chair Menin, Chair Williams, and members of the Committees on Consumer and Worker Protection, and Civil and Human Rights. I am Carlos Ortiz, Assistant Commissioner for External Affairs at the Department of Consumer and Worker Protection (DCWP), and I am joined by our Associate General Counsel, Andrew Schwenk.

Our agency's mission is to protect and enhance the daily economic lives of New Yorkers to create thriving communities. While we do not regulate banks and lending services, our work does focus on improving New Yorkers' financial health and our enforcement of key consumer protections. And, since the start of the Administration, we have helped deliver \$319 million to the pockets of New Yorkers, across all our areas of work.

Consumer Protection Enforcement

DCWP is committed to protecting consumers from deceptive or predatory trade practices in the marketplace and ensuring that consumers have relief if their rights have been violated. We accomplish this through robust enforcement of our licensing laws, and of the City's hallmark Consumer Protection Law. For example, we license ~470 used car dealerships across the five boroughs and regulate specific requirements dealers must adhere to regarding our consumer protection standards. These include price display requirements, various disclosure requirements, including a financing disclosure, and a prohibition on false advertising. Moreover, under the Consumer Protection Law, all businesses are prohibited from engaging in deceptive or unfair trade practices.

Under Mayor Eric Adams' Administration, we have announced major victories on behalf of consumers through proactive investigations into used car dealerships, in total securing more than \$7 million in restitution and civil penalties in this specific area of work. A recent highlight of our work into used car dealerships was just announced this past January, concerning an entity known as 26 Motors. Our agreement secured \$1.5 million in restitution for consumers, required the closure of five dealerships, and barred five individuals from owning a used car dealership for five years. We have also brought significant cases against for-profit colleges, under the Consumer Protection Law, such as Berkeley and ASA College, for running misleading and deceptive advertising. In just those two cases alone, we secured close to half a million dollars in civil penalties, as well as \$20 million in debt relief for New Yorkers. Each of these cases drives home the message to New Yorkers that this Administration will continue to protect and support working people in our city. We also strive to ensure that New Yorkers are educated on their rights and protections. Since the start of the Administration, we have held more than 1,400 outreach events, reaching over 105,000 attendees to educate New Yorkers about DCWP.

Financial Empowerment

DCWP also offers innovative programs and services to support New Yorkers in improving their financial health. One of our key programs is our network of Financial Empowerment Centers. Residents across all five boroughs can visit, for free, one of more than 37 Financial Empowerment Centers to receive confidential, one-on-one, professional financial counseling. Our trained financial counselors help clients navigate their finances, create a budget, open safe and affordable bank accounts, and so much more.

Our financial coaching and counseling places an emphasis on financial education to help clients reach both short-term and long-term financial goals. Clients that come to our centers looking for assistance with loans are provided with an in-depth understanding of their rates, terms and possible risks involved. We also offer additional options for clients to find safe and affordable financial products, including bank accounts.

Since the inception of the Financial Empowerment Centers, we have served nearly 77,000 New Yorkers, helping them reduce their cumulative debt by ~\$106 million and increase their savings by ~\$12 million in total. We are incredibly proud of our financial empowerment programs and the successes that New Yorkers have achieved.

Conclusion

As I mentioned earlier, DCWP is committed to protecting and enhancing the economic lives of New Yorkers and we look forward to working with this Council to find new and innovative ways to continue doing so. Thank you again for the opportunity to speak with you today, and I look forward to your questions.