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# MFY and partners settle massive debt collectionclass action lawsuit for $59 million

## *Over 300,000 victims will benefit*

## *Over 190,000 default judgments to be vacated*

Tens of thousands of low-income New Yorkers who were victims of abusive debt collectors won an unprecedented victory on November 12, 2015 when a [settlement was reached](http://www.nytimes.com/2015/11/14/nyregion/victims-of-debt-collection-scheme-in-new-york-win-59-million-in-settlement.html?smprod=nytcore-iphone&smid=nytcore-iphone-share), ending a six-year battle to achieve justice for low-income New Yorkers whose bank accounts were restrained or wages garnished after default judgments based on “[sewer service](http://www.mfy.org/wp-content/uploads/reports/Justice_Disserved.pdf)” were entered against them.

“Thousands of low-income people across the state suffered severe financial consequences as a result of the callous and illegal actions of the three sets of defendants,” said MFY Supervising Attorney Carolyn Coffey, who co-counseled the case with Senior Staff Attorney Ariana Lindermeyer, and with the New Economy Project and Emery Celli Brinckerhoff & Abady. “We expect this settlement will have far-reaching consequences across the debt-collection chain and will help to put an end to predatory practices by debt buyers and the law firms and process serving companies that work with them.”