Broome County
OFFICE OF THE COUNTY CLERK

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FOR IMMEDIATE RELEASE

Broome County Clerk Mihalko Is Fighting Back Against Predatory Lenders

Broome County Clerk Joseph Mihalko is taking action to curtail the use of an aggressive predatory lending tactic known as a "judgment by confession."

Over the past couple of months, the staff at the Broome County Clerk's Office noticed a large increase in volume in "judgments by confession" submitted for filing. Most of these are filed by a small number of downstate and out-of-state law firms representing predatory lenders. Often there is no connection to Broome County, because neither the debtor, the lender nor the debt is from Broome County. After consulting with the County Attorney's office, Mr. Mihalko issued a policy memo and stopped processing most judgments by confessions in early January. Both Bloomberg News and the Washington Post have recently reported on abuses of the New York State legal system by predatory lenders that advance money to businesses and individuals.

"Our office will gladly file legitimate filings and judgments. But I will not let the Broome County Clerk's Office be abused and misused by disreputable, predatory lenders," said County Clerk Joe Mihalko. "The New York Civil Practice Law and Rules (CPLR) provides our office with the authority to reject most of these 'judgments by confession.' I am working with my fellow County Clerks to amend New York State law and to close any legal loopholes that these predatory lenders and their disreputable attorneys are using. This was an important topic at the recent New York State Association of County Clerks (NYSACC) conference in Albany. Protecting consumers is a key role of the Broome County Clerk's Office."

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