



NEW YORK STATE  
DEPARTMENT *of*  
FINANCIAL SERVICES

**Andrew M. Cuomo**  
Governor

**Benjamin M. Lawsky**  
Superintendent

**TO: Credit Scoring and Reporting Agencies**  
**FROM: Benjamin M. Lawsky**  
**Superintendent of Financial Services**  
**New York State Department of Financial Services**  
**DATE: April 25, 2013**  
**RE: Protecting Sandy Victims from Unfair Black Marks on Their Credit Scores**

Superstorm Sandy had a devastating impact on thousands of families in New York and across the Northeast. Residents were forced to secure temporary housing when their homes became uninhabitable; costly home repairs created unexpected and unbudgeted expenses; and many businesses closed temporarily or permanently, leaving their owners and employees facing significant losses of income. To help struggling New Yorkers recover, Governor Cuomo and the Department of Financial Services have been working with these families and their financial institutions in a number of ways, including expediting insurance claims processing, easing restrictions on banks' disbursement of insurance proceeds to homeowners, and facilitating mortgage relief for struggling homeowners. These measures were taken to help ensure that no one faces foreclosure, bankruptcy, or other financial devastation simply because of Sandy's calamitous consequences.

I am writing you today regarding a very serious consumer credit issue for people whose lives were upended by Superstorm Sandy. The Cuomo Administration is concerned that Sandy victims who encountered financial difficulties due to the storm may face unfair black marks on their credit histories through no fault of their own.

The financial challenges that many New Yorkers have faced due to Sandy could negatively impact their credit scores – for reasons that are unrelated to their creditworthiness. For example, many homeowners missed mortgage payments due to Sandy or were forced to seek forbearance of their mortgage payments in the face of mounting recovery-related expenses. Many other citizens were unable to make timely rent payments when their homes became uninhabitable and they were forced to pay for alternative housing. Homeowners and business owners also found themselves taking out loans for equipment essential to the rebuilding of their homes and businesses.

No Sandy victim should face a black mark on their credit history simply because they caught a bad break from Mother Nature and got caught in the path of this destructive storm. As any family or business owner knows, an unfair black mark on a person's credit history can have serious, long-term financial consequences. It can mean higher costs for a mortgage, a car loan, or a small business loan for many years in the future – pinching the budgets of Sandy victims who are already struggling to rebuild and recover. Even worse, some Sandy victims could get shut out of

the job market since many employers screen and deny applicants based on blemishes in their credit histories – regardless of whether that blemish is an error by their bank or occurred through no fault of the applicant's own.

We request that your organization ensure that no Sandy victims' credit is unfairly damaged due to circumstances beyond their control. We are also asking that you reset any scores that have already been improperly lowered. We are also going to work with the banks and other financial institutions to ensure they are doing their part to avoid these unfair results. I am sure that you will agree that it would add insult to injury for a Sandy victim to be further harmed through an unwarranted hit to their credit score. We ask that you attend a meeting at our office at One State Street, New York, New York to resolve this issue once and for all. Let's not go through this again in future disasters. Please contact Joy Feigenbaum at (212) 480-6082 or Dan Burstein at (212) 709-1651 to discuss arrangements. Thank you in advance for your attention to this important issue.