

# New Yorkers Overwhelmingly Support Cracking Down on Predatory Lenders

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New Yorkers overwhelmingly support proposed legislation that would close loopholes allowing lenders to circumvent the state’s 25 percent interest rate cap. In a poll of 4,000 New Yorkers statewide, among those who expressed an opinion, **88 percent support the End Loan Sharking Act (S1726-Brouk/A4918-Raga)**, with just 12 percent opposed. The poll found remarkably consistent support across party affiliation, geography, income levels, and race/ethnicity.

This broad consensus comes at a critical moment. Financial technology companies—or “fintech” for short—offering products like payday lending apps and buy now, pay later services have increasingly exploited legal loopholes to charge exorbitant rates. New Yorkers across the economic spectrum recognize the need for stronger consumer protections.

## The Problem: High-Cost Lending Disguised as Innovation

New York’s usury law, which caps interest rates at [25 percent](#) for most loans, has long protected consumers from predatory lending. But fintech companies have found ways around these protections by characterizing their products as something other than loans, often charging rates that would be illegal if applied to traditional loans.

The scope of the problem is significant. The Community Service Society of New York’s recent [research](#) found that 41 percent of New Yorkers have used buy now, pay later (BNPL) products, while a third have used “earned wage access” (EWA) to borrow money against their wages before payday. These fintech tools disproportionately affect those

already navigating economic insecurity, such as younger New Yorkers and Black and Brown communities. The consequences of using them can be devastating.

The New York Attorney General’s recent lawsuits against two payday loan apps—DailyPay and MoneyLion—revealed the true cost of these products. Many users were paying effective annual percentage rates as high as 750 percent, with some locked into cycles of borrowing that cost them thousands of dollars in fees over the course of a year just to access their own wages. A separate [analysis](#) estimates that payday loan apps have extracted more than \$500 million in deceptive fees from New Yorkers’ paychecks since 2019.

## Overwhelming Support for Closing the Loopholes

As part of our Annual Survey of Housing and Economic Security, we polled New Yorkers about the End Loan Sharking Act. We asked:

“In New York State, it’s illegal to charge more than 25% interest on most loans. Some companies use apps, fees, or contracts to get around this limit and charge higher rates. A proposed law would close these loopholes and apply the interest rate cap to all types of lending—including payday apps, merchant cash advances, and advances on lawsuit settlements. Would you support or oppose this law?”

Among the 3,055 respondents who expressed support or opposition (76 percent of all respondents), 88 percent supported the legislation and just 12 percent opposed it.

### Widespread Support Across Demographics

Among New Yorkers who expressed an opinion, support was strong across every demographic measured. Political consensus is particularly striking, with 90 percent of Democrats, 89 percent of Independents, and 87 percent of Republicans supporting closing the loopholes and applying the interest rate cap to all lending—a rare example of bipartisan agreement on consumer protection policy. Geographic consistency further reinforces the statewide nature of support, with the area with the lowest level of support still at 87 percent.

Support for the bill also spans income levels: four out of five low-income respondents expressed support, while 88 percent and

		Support*	Oppose
All Respondents (N=3055)		88%	12%
Region	Capital District	91%	9%
	Erie	90%	10%
	Monroe	89%	11%
	NYC	88%	12%
	Westchester	88%	12%
	Long Island	87%	13%
Income level	Low-income (<200% FPL)	80%	20%
	Moderate-income (200-400% FPL)	88%	12%
	Higher-income (>400% FPL)	92%	8%
Party Affiliation	Democrat	90%	10%
	Independent	89%	11%
	Republican	87%	13%
	Other	81%	19%
Race/Ethnicity**	Asian	92%	8%
	White	91%	9%
	Multi-racial/ethnic	87%	13%
	Hispanic or Latino/Latina	84%	16%
	Black/African American	83%	17%
Gender**	Male	90%	10%
	Female	87%	13%

\* Support includes those who “strongly support” and “somewhat support.” Oppose includes those who “strongly oppose” and “somewhat oppose.”

\*\*The table excludes groups whose sample size was too low for meaningful reporting.

92 percent, respectively, of moderate- and higher-income respondents support the End Loan Sharking Act.

## Pass the End Loan Sharking Act and the Stop Taking Our Pay Act

The broad consensus suggests New Yorkers recognize that loopholes in consumer protection hurt everyone. With federal consumer protections eroding—the Consumer Financial Protection Bureau has rolled back enforcement actions and rules governing fintech products—state-level action is more critical than ever.

The End Loan Sharking Act would ensure that all lenders—regardless of how they characterize their products—must follow the same interest rate caps designed to protect New Yorkers from predatory lending. With 88 percent support from New Yorkers who have an opinion on the issue, and backing across party lines, regions, and income

levels, the New York State Legislature has a clear mandate to close these loopholes and pass the End Loan Sharking Act (S1726/A4918).

Another bill, the Stop Taking Our Pay Act (S8939), though not yet introduced at the time of our poll, clarifies that EWA companies are lenders and that their so-called “wage advances” are loans. The bill ensures that tips, fees, and other charges extracted from users are properly included in the calculation of interest. The Community Service Society of New York recommends the urgent passage of this bill to uphold the state’s usury law and protect New Yorkers from predatory payday lending.

**Survey Methodology:** For more than 20 years, the Community Service Society of New York has surveyed New Yorkers on housing, employment, benefits, finances, and policy views. The 2025 Annual Survey of Housing and Economic Security surveyed 4,000 adults statewide between September 9 and October 2, 2025. Surveys were offered in English, Spanish, Chinese, Russian, and Haitian Creole via online panels, email, phone, and text recruitment. The survey included residents from New York City (2,000), Long Island (400), Westchester (400), the Capital District (400), Erie County (400), and Monroe County (400). Results were weighted by region to reflect the demographic composition of New York State adults. The margin of error is  $\pm 1.55$  percentage points.

Federal poverty level bands were calculated for each responding using their 2024 household income, household size, and the U.S. Department of Health and Human Services 2024 poverty guidelines. Among respondents, 76% expressed support or opposition to the End Loan Sharking Act, while 24% selected “neither support nor oppose.” Those without opinions were more likely to be lower-income (35% had no opinion vs. 16% of higher earners), women (28% vs. 19% of men), and people of color—particularly Black (31%) and Hispanic (30%) respondents compared to white respondents (18%). The analysis presented here focuses on those who expressed an opinion.

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