

# Legal Funding: A Critical Resource For Consumers In N.Y.

**Legal funding provides consumers immediate financial assistance while they pursue credible personal injury claims.** These pre-settlement advances are not loans, and are not repaid unless the plaintiff wins their case. Legal funding gives plaintiffs access to funds for day-to-day needs during the sometimes-long pendency of a case.

## Advances Help Victims Cover Personal Expenses

Most Americans lack the funds to pay for a \$500 unexpected expense. Plaintiffs can use pre-settlement advances to pay for everyday, non-legal expenses during their case. **Typical expenses include groceries, medical bills, rent, car payments, and student loans.**

## Rate Caps Are Not The Answer

**Insurance companies are advocating for rate caps** to reduce the amount of money they must pay to victims. **Rate caps threaten to make pre-settlement advances economically impossible for funders**, as advances have a higher risk profile than loans.

## ALFA Is Dedicated To Promoting Regulation That Protects Consumers

**Assembly Bill 3228 would effectively regulate legal funding and protect New York consumers.** Robust regulation requiring licensure and disclosure is the best way to protect consumers and ensure access to advances.

**Below are just a few examples of how funding helps consumers across our state...**

- Barney, New York, N.Y.: *"I would like to thank the entire firm for helping me with my accident. Throughout the whole period of time, all the help, support, and therapy...has given me the ability to feel better since the accident."*
- Jose, Jeffersonville, N.Y.: *"Thanks for helping me in my time of need. This will help me help my family."*
- Debra, Orange County, N.Y.: *"Never would thought it would take 10 years for a case to settle...If legal funding hadn't been available... I would've lost my home."*