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The Weekly Sweep: Northeast Regulators Address Subscription Practices, Driver Data Privacy, and Debt Collection

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Regulators across the Northeast continue to focus on consumer protection, data privacy, and financial services compliance. This week's developments include settlements involving a news provider's subscription practices and an automaker's sharing of driver data, a New York enforcement action involving time-barred mortgage payments, and additional New York City debt collection guidance. Other developments include a cybersecurity alert and an extended comment deadline for proposed automated customer service requirements.

Key Developments

New York AG Reaches $500,000 Settlement over Subscription Practices

New York Attorney General Letitia James entered into an Assurance of Discontinuance with a news subscription provider resolving allegations that the company failed to clearly disclose subscription terms, provide required subscription acknowledgments, and notify consumers before automatic renewals involving significant price increases.

The Attorney General also alleged that the company made it difficult for consumers to cancel their subscriptions.

Under the settlement, the company must pay $500,000 in penalties, revise its subscription practices, and offer restitution to eligible subscribers.

New York Attorney General Press Release

Assurance of Discontinuance

Attorneys General Reach $220 Million Settlement with Automaker over Driver Data

A multistate coalition of attorneys general announced a $220 million settlement with an automaker over allegations that the company collected and sold consumers' driving behavior and location information without their knowledge or consent.

Data brokers allegedly resold the information to insurance companies, potentially affecting consumers'

insurance rates.

New York will receive more than $12 million under the settlement, and Massachusetts will receive $5.7 million. The company must also limit its collection of consumer data and implement a comprehensive data privacy program.

New York Attorney General Press Release

Massachusetts Attorney General Press Release

Settlement

NYC DCWP Extends Hearing and Comment Deadline for Automated Customer Service Proposal

The New York City Department of Consumer and Worker Protection (DCWP) has rescheduled the public hearing on its proposed automated customer service rule from 11/19/2026 to 12/18/2026.

The deadline to submit comments has also been extended to 12/18/2026, providing affected businesses additional time to review the proposal and submit feedback.

DCWP Notice of Extension

New York AG Secures More Than $480,000 and Mortgage Debt Relief

The New York Attorney General's Office entered into an Assurance of Discontinuance with a group of debt buyers over allegations that they sought time-barred mortgage payments in foreclosure proceedings.

Many of the loans were second mortgages originating before the 2008 financial crisis. The Attorney General alleged that the companies filed foreclosure lawsuits demanding payments that were no longer legally collectible.

The settlement requires the companies to pay more than $480,000 in penalties and restitution and withdraw demands for expired mortgage payments in ongoing foreclosure cases.

New York Attorney General Press Release

Assurance of Discontinuance

New York DFS Issues Alert on Critical PHP Vulnerabilities

The New York Department of Financial Services (DFS) issued an industry letter warning of two critical vulnerabilities in PHP, an open-source scripting language widely used for web development.

The vulnerabilities could permit unauthenticated remote code execution and unauthorized access to server files and databases.

DFS urges regulated entities to identify affected systems, coordinate with third-party service providers,

and promptly apply available security updates, prioritizing internet-facing systems. The letter also directs entities to review DFS's previously issued guidance on the heightened cybersecurity threat environment.

DFS Industry Letter

2026 Heightened Cybersecurity Threat Environment Guidance

NYC DCWP Updates Debt Collection FAQs

DCWP has revised its Frequently Asked Questions addressing the SHIELD debt collection rule, which takes effect January 1, 2027.

The revisions address obtaining written consent for electronic communications through an electronic confirmation link and configuring telephone systems to satisfy requirements involving the assigned call-back person identified in a validation notice.

The consent guidance permits electronic confirmation links subject to applicable requirements, including affirmative consumer consent and restrictions on the initial consent-seeking message.

Revised Debt Collection FAQs

Why It Matters

These developments reflect continued regulatory attention to consumer disclosures, consent, debt collection practices, and technology-related compliance risks.

The subscription and automotive data settlements underscore the importance of clearly explaining subscription terms and data practices to consumers. The mortgage debt settlement highlights the risks of seeking time-barred payments through foreclosure proceedings.

For debt collectors operating in New York City, the revised FAQs provide additional guidance as businesses prepare for the SHIELD Rule's January 1, 2027, effective date. The extended comment deadline for the automated customer service proposal also gives affected businesses more time to evaluate the proposed requirements and provide feedback.

The DFS cybersecurity alert reinforces the importance of promptly identifying vulnerabilities, applying security updates, and coordinating remediation with third-party service providers.

Related Content

For additional analysis and ongoing coverage of state and federal developments, explore the following Hudson Cook and CounselorLibrary.com resources:

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State Watch - Timely updates on state-specific legislative and regulatory activity.

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Hudson Cook will continue to monitor regulatory and enforcement developments across the Northeast.

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