

HB 1384 - AS AMENDED BY THE HOUSE

12Mar2026... 0921h

2026 SESSION

26-3174

07/09

HOUSE BILL **1384**

AN ACT relative to prohibiting foreign adversary persons or foreign entities of concern from financing lawsuits.

SPONSORS: Rep. Cole, Hills. 26; Rep. Aures, Merr. 13; Rep. Kesselring, Hills. 18; Rep. Kofalt, Hills. 32; Rep. Ouellet, Coos 3; Rep. Post, Hills. 42; Rep. Wood, Merr. 13; Rep. Hunt, Ches. 14; Sen. Birdsell, Dist 19; Sen. Gannon, Dist 23; Sen. Reardon, Dist 15

COMMITTEE: Judiciary

AMENDED ANALYSIS

 This bill prohibits foreign adversary persons or foreign entities of concern from financing lawsuits.

Explanation: Matter added to current law appears in ***bold italics***.
 Matter removed from current law appears ~~[in brackets and struckthrough.]~~
 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty-Six

AN ACT relative to prohibiting foreign adversary persons or foreign entities of concern from financing lawsuits.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 New Chapter; New Hampshire Third-Party Litigation Funding Transparency Act. Amend
2 RSA by inserting after chapter 294-E the following new chapter:

CHAPTER 294-F

NEW HAMPSHIRE THIRD-PARTY LITIGATION FUNDING TRANSPARENCY ACT

5 294-F:1 Definitions. In this chapter:

6 I. "Commercial litigation financier" means a person in the business of entering into
7 commercial litigation financing agreements or lawyer financing agreements. The term "commercial
8 litigation financier" shall not include a nonprofit organization exempt from federal income tax under
9 501(c)(3) of the United States Internal Revenue Code or its funders if the nonprofit organization
10 represents the claimant on a pro bono basis, which may include an award of costs or attorney fees to
11 the nonprofit organization or a related attorney.

12 II. "Consumer legal funding agreement" means a non-recourse transaction in which a
13 consumer litigation funding company purchases, and a consumer assigns to the company, a
14 contingent right to receive an amount of the potential proceeds of a settlement, judgment, award, or
15 verdict obtained in the consumer's legal claim.

16 III. "Commercial litigation financing agreement" means, with respect to any civil action or
17 group of civil actions, a written agreement:

18 (a) Whereby a third party agrees to provide funds to one of the named parties, and

19 (b) Which creates a direct or collateralized interest in the proceeds of a civil action or
20 group of civil actions, by settlement, verdict, judgment, or otherwise, where such interest is based in
21 whole or in part on a funding obligation to the funded party in the action or group of actions.

22 (1) "Commercial litigation financing agreement" shall include any contract, including
23 any option, forward contract, futures contract, short position, swap, or similar contract, or other
24 agreement that is substantially similar to a litigation financing agreement.

25 (2) "Commercial litigation financing agreement" shall not include:

26 (A) A consumer legal funding agreement;

27 (B) An agreement by an attorney or law firm to provide legal services on a
28 contingency fee basis to the claimant or to advance the claimant's legal costs in accordance with the
29 New Hampshire rules of professional conduct;

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(C) A health insurer, medical provider, or assignee that has paid, is obligated to pay, or is owed any sums for a person's health care under the terms of a health insurance plan or agreement;

(D) A financial institution providing loans to the claimant or the claimant's attorney or law firm when repayment is not contingent upon the outcome of the legal claim or on the outcome of any matter within a portfolio that includes the legal claim and involves the same attorney or law firm or affiliated attorney or law firm;

(E) A lawyer financing agreement; or

(F) A person with a preexisting contractual obligation to indemnify or defend a party to a legal claim.

IV. "Foreign country of concern" means a foreign government or person listed as a "foreign adversary" under 15 C.F.R. 791.4.

V. "Foreign entity of concern" or "foreign person of concern" means an entity or person that:

(a) Is organized or incorporated in a foreign country of concern;

(b) Is owned or controlled by the government, a political subdivision, or a political party of a foreign country of concern;

(c) Has its principal place of business in a foreign country of concern; or

(d) Is owned, organized, or controlled by, affiliated with, or acting on behalf of an individual or entity that is or has been:

(1) On a sanctions list maintained by the Office of Foreign Assets Control, including:

(A) Specially Designated Nationals and Blocked Persons List (SDN List);

(B) Foreign Sanctions Evaders List;

(C) Non-SDN Iran Sanctions Act List;

(D) Sectoral Sanctions Identifications List; or

(E) List of Foreign Financial Institutions Subject to Correspondent Account and Payable-Through Account Sanctions; or

(2) Designated by the United States Secretary of State as a foreign terrorist organization.

294-F:2 Prohibitions Related to Commercial Litigation Funding. No person or entity shall enter into a commercial litigation financing agreement with a foreign entity of concern or a foreign country or person of concern, or any entity controlled by any of the foregoing persons or entities.

294-F:3 Applicability. This chapter shall apply to any commercial litigation financing agreement or lawyer financing agreement that is effectuated on or after the effective date of this chapter.

2 Effective Date. This act shall take effect January 1, 2027.