

## MEMORANDUM OF SUPPORT

### Protect Domestic Violence Victims From Being Liable for Coerced Debt

A.1309 Rosenthal L./S.2278 Cleare

The New York State Coalition Against Domestic Violence (NYSCADV) urges the New York State Legislature to pass this legislation which would ensure that victims of domestic violence are not held liable for coerced debt.

According to the National Network to End Domestic Violence, financial abuse occurs in 99% of domestic violence cases. It is one of the primary reasons survivors cite for staying in or returning to an abusive partner. Financial abuse involves maintaining control over financial resources, withholding access to money, sabotaging credit, or attempting to prevent a victim from working in an effort to create financial dependence as a means of control. Little by little, abusers chip away at a victim's financial independence until they gradually become fully dependent.

Coerced debt, which refers to all non-consensual credit-related transactions, is a popular tactic used by people causing harm to maintain power and control over their victims. It can destroy a survivor's credit rating, making it difficult for them to build a future outside of the abusive environment. Abusers gain control over victims by applying for credit cards, obtaining loans, or opening other financial accounts in a victim's name, often without the victim's consent or knowledge. Coerced debt can also involve forcing victims to obtain loans, sign financial documents, or make credit-related transactions by using threats or physical force.

This critical bill would:

- Ensure that survivors are not held liable for coerced debt;
- Require creditors to cease collection activities and stop reporting the debt to credit reporting agencies if, upon investigation, they find that the debt is coerced;
- Set procedures and timelines for disputes, as well as a list of documentation that can be provided to creditors to demonstrate debt has been coerced; and,
- Create a cause of action and defense to consumer credit actions based on coerced debt.

NYSCADV urges the Legislature to protect domestic violence victims by not holding them liable for coerced debt.

#### **ABOUT NYSCADV:**

Established in 1978, NYSCADV is designated by the U.S. Department of Health and Human Services as the information clearinghouse, primary point of contact, and resource center on domestic violence for the State of New York. NYSCADV is responsible for supporting the development of policies, protocol, and procedures to enhance domestic violence intervention and prevention and also provides education and technical assistance to the network of primary-purpose domestic violence service providers statewide.

**For more information, contact: Joan Gerhardt, Director of Public Policy and Advocacy, 518.482.5465**

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