



Bill No.: House Bill 1198
Bill Title: Civil Actions - Coerced Debt - Debtor Protections
Committee: Judiciary
Hearing Date: March 11, 2026
Position: **FAV**

House of Ruth is a non-profit organization providing shelter, counseling, and legal services to victims of domestic violence throughout the State of Maryland. House of Ruth has offices in Baltimore City, Baltimore County, Prince George's County, and Montgomery County.

We urge the House Judiciary Committee to favorably report on House Bill 1198.

Economic abuse is a prevalent means employed by perpetrators to maintain dominance. It can manifest in various ways, including limiting access to income, meticulously overseeing expenditures, or prohibiting a partner from pursuing employment or educational opportunities.

One of the most harmful manifestations of this abuse occurs when an abuser accrues debt in the survivor's name, whether by coerced signing of documents under duress, clandestine opening of credit accounts, or compelling the survivor to undertake loans beyond their means. Such debts have the potential to impair creditworthiness, provoke legal actions, and entrap survivors in prolonged financial hardship well beyond the termination of the abusive relationship.

HB 1198 sets forth explicit criteria for determining when debt has been incurred under circumstances of fraudulent, coercive, or undue influence. The legislation offers a substantial avenue for survivors to contest unlawful financial liabilities associated with their abuser's conduct, acknowledging that consent secured through intimidation is not genuine consent.

Under this legislation, survivors are authorized to inform creditors of debts obtained through coercion and to temporarily suspend collection activities during the review process. HB 1198 further enables a civil procedure under which a court can formally declare a debt coerced, thereby preventing survivors from having to repeatedly defend themselves against collection actions for debts they did not willingly incur. These protections are crucial for restoring survivors' financial independence and supporting their access to housing, employment, and safety.

Across the nation, states are increasingly recognizing that financial stability is fundamental to a survivor's capacity to reconstruct their life. HB 1198 aligns Maryland with this expanding recognition by providing survivors with a pragmatic, trauma-informed solution to one of the most debilitating outcomes of economic abuse.

HB 1198 establishes a clear and accessible process for survivors to challenge debts incurred through coercion. It suspends collection activities, allows survivors to submit evidence, and provides a mechanism for courts to recognize coerced debts, and offers substantial relief to individuals striving to reconstruct their lives. Such protections are essential for survivors seeking secure housing, employment, and enduring financial stability, especially after escaping domestic violence.

The House of Ruth urges the House Judiciary Committee to report favorably on House Bill 1198.