



WRITTEN TESTIMONY IN SUPPORT OF HOUSE BILL 1198

BILL NUMBER: House Bill 1198 Sponsored by Delegates Lesly J. Lopez, Lorig Charkoudian, Elizabeth Embry, and Emily Shetty

POSITION: In Support (FAV)

SUBMITTED: Cynthia Amezcua Zamudio, State Policy and Advocacy Manager, FreeFrom

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On behalf of FreeFrom, I am writing in strong support of House Bill 1198 creating protections for survivors of gender-based violence with coerced debt. FreeFrom is a national non-profit working to end gender-based violence with survivors in all 50 states by building safety and economic freedom. We do this through bold survivor-led strategies that build our collective power and activate everyone in society to play their part — before, during, and beyond moments of crisis.

URGENT NEED FOR HB 1198

FreeFrom strongly supports HB 1198 because coerced debt protections greatly support survivors' long-term safety. As detailed below, gender-based violence is financially devastating for survivors. These coerced debt protections mitigate such financial impacts and can make a significant material impact on survivors' daily lives. By passing HB 1198, legislators can provide a critical lifeline to survivors financially depleted by debt coerced or fraudulently incurred by a harm-doer, as underscored by the experience of a survivor in Maryland included on page 3.

Survivors can only secure long-term safety for themselves and their families if they can afford to find safety, rebuild, and heal.

PERVASIVENESS OF GENDER-BASED VIOLENCE (GBV) IN MARYLAND

The protections included in HB 1198 have the potential to benefit a significant percentage of Maryland residents given the pervasiveness of gender-based violence. According to the Center for Disease Control (CDC), **40.9%** of cis-women and **35.3%** of cis-men in Maryland will experience intimate partner violence in their lifetime.¹ In addition, transgender and gender-diverse communities are at higher risk of being subjected to GBV, relative to

cisgender women.² As part of coercive control, harm-doers frequently utilize economic abuse tactics. In a survey of GBV survivors by FreeFrom, **92.3%** of survivors reported being subjected to economic abuse.³ Other studies have found that **99%** of domestic violence survivors are subjected to economic abuse.⁴

Coerced Debt Is A Form of Economic Abuse

Federal law defines economic abuse, in part, as,

. . .behavior that is coercive, deceptive, or unreasonably controls or restrains a person's ability to acquire, use, or maintain economic resources to which they are entitled, including using coercion, fraud, or manipulation to . . . unfairly use a person's personal economic resources, including money, assets, and credit, for one's own advantage; or . . . exert undue influence over a person's financial and economic behavior or decisions . . .⁵

Economic abuse tactics include limiting a survivors' ability to spend money as they see fit; disrupting a survivors' ability to go to work; removing money from a survivors' bank account without permission; and incurring coerced or fraudulent debt in a survivor's name, among others. Coerced and fraudulent debt is debt that was incurred in a survivor's name through fraud, coercion, intimidation, threat, force, or non-consensual use of their personal identifying information. Such economic abuse can impede survivors' long-term financial stability as well as create additional financial hardship.

GBV IS FINANCIALLY DEVASTATING

GBV can greatly impact survivors financially. The CDC estimates GBV costs cis-women survivors a staggering **\$103,767** over their lifetime.⁶ At FreeFrom, in a survey of GBV survivors, we found that survivors reported an average of \$288 that they alone can access and an average of **\$10 in savings**.⁷ Survivors also reported an average of **\$5,453 in coerced and fraudulent debt** and identified credit/debt relief as their second top need.⁸ Utilizing the Financial Well-Being Scale developed by the Consumer Financial Protection Bureau, survivors' financial well-being falls in the **bottom 10th percentile** for adults in the U.S.⁹ This means many survivors experience material hardship, such as running out of food or having utilities turned off.

Harmful Impacts of Coerced Debt

Coerced debt can result in immediate hardship for survivors due to stressful debt collection practices, debt collection lawsuits, and wage garnishment through debt judgments. In addition, coerced debt can damage survivors' credit scores. The damage to credit scores can lock survivors out of housing, certain employment, and financial opportunities—compounding and prolonging the financial harms of coerced debt. For example, survivors may be denied an apartment as a result of a negative credit report. Over time, such denials can push survivors into long-term housing instability. Coerced debt protections mitigate and diminish such harms.

Given the costs and impacts of GBV, when survivors try to find safety, often, they must do so while contending with six figures in costs, with no assets, no cash, no income, fraudulent debt, and damaged credit. In brief, **financial insecurity is a top obstacle to safety for survivors.**

Testimony from a Maryland Survivor-Resident

One survivor in Maryland shared with FreeFrom the following:

“I am submitting this testimony in support of HB 1198 as a Maryland resident and survivor of coerced debt and financial abuse.

For nearly a decade, I experienced persistent financial abuse within an intimate partner relationship. The individual who abused me used credit cards in my name, pressured me to withdraw my 401(k)s to support him during “emergencies,” and coerced me into taking out installment loans—including a car note for a stick shift vehicle I cannot even drive—under the promise that he would make the monthly payments. Ultimately, he failed to follow through on that promise and often used my own paychecks to cover them. He also required me to enter joint accounts so he could monitor my use of funds 24/7 and access my income without restriction. Outside of our joint account, he required me to report to him daily any items I purchased—no matter how trivial. I felt violated and my sense of privacy and personal autonomy was completely stripped away.

I was required to send all of my paychecks to him, and he decided which bills and obligations would be paid, often leaving me with a small allowance (\$100–200, sometimes slightly more if I pleaded) to live on every two weeks. When I asked for transparency about finances and what he was spending my paychecks on, arguments would escalate—especially

if I used the phrase “my money,” which he hated. To this day, I do not know where much of my income went. I was also not allowed to save or set aside any money for a rainy day. He said he didn’t believe in saving, and the limited allowance he left me ensured that I could not.

Over time, I signed for multiple loans and lines of credit in my name alone. In many cases, I do not know what the funds were ultimately used for. While I technically signed the documents, I did not experience those decisions as voluntary, nor did I meaningfully benefit from or control the funds.

I was afraid to refuse his demands. Minor issues and disagreements routinely and quickly escalated. He had significant anger management issues and would become aggressive during arguments, including punching holes in walls, standing inches from my face, and threatening physical harm. This behavior created an environment where resistance felt unsafe. Although the abuse had not yet become physical toward me at that stage, the intimidation was clear. I understood that refusing to sign would likely result in escalation and potential harm.

The coercion was gradual and normalized. What I now understand as exploitation felt, at the time, like an expression of my love and commitment, but also like an investment, an obligation as a committed girlfriend, and a matter of survival all at once. I signed to prevent arguments and to maintain short-term safety. Over time, I internalized the belief that financially supporting him was my responsibility. He would often say, “What’s yours is mine, and what’s mine is mine,” reinforcing the expectation that I had no independent control over my income or assets, and that the relationship was not a true partnership in which resources were shared equitably. I initially perceived his request to open a joint account as a reflection of his desire to take our relationship to the next step and make financial decisions together.

There was also a period when I was hospitalized during a time of severe depression and anxiety related to the relationship. During that hospitalization, he visited once—not primarily to check on my well-being, but to demand my bank cards and account login information. He stated that I would not need them while hospitalized. Financial control and manipulation persisted even while I was in a medically vulnerable state, when I was too weak and disoriented to resist.

Years later, after I had left the relationship once, I was persuaded to break my lease and return to his residence based on promises that he would not only get help to improve our

relationship (e.g., couples therapy), but also pay the remaining balance on my apartment. He never did, and this decision (the result of manipulation) has since prevented me from being approved for housing.

A few days before I left the relationship permanently, knowing I had no independent financial resources, he told me, “you’re trapped.” That statement reflected the economic control that had developed over the years. I ultimately left despite having no access to funds and without a secured place to stay, facing the very real risk of homelessness. Although the relationship ended nearly a year ago, I continue to bear the burden of its financial consequences.

The impact on my life has been profound:

- I lost financial independence and autonomy over my own income.
- My credit score dropped from close to 800—something I had worked years to build—to the low 500s.
- I no longer qualify for my own apartment.
- I face significantly higher interest rates, which make it nearly impossible to make meaningful progress on paying off any loan. Even after two years of payments, the balance I owe to my lienholder is higher than the original amount of the loan.
- I endure repeated collection activity, including nonstop phone calls that make it nearly impossible to use my phone without interruption.
- The financial abuse intensified the mental, emotional, and physical abuse I experienced, causing lasting trauma, including Complex Post-Traumatic Stress Disorder (CPTSD), severe depression, anxiety, insomnia, and frequent panic attacks. These conditions persist more than a year after leaving the relationship and have significantly affected my ability to work and maintain employment.
- Even after leaving the relationship, securing a safe place to stay, and enrolling in Maryland’s Address Confidential Program, I have not pursued formal reporting because I continue to fear retaliation and lack the psychological capacity to endure further escalation.

I have since been advised that existing legal options may include bankruptcy or litigation related to coercion or fraud. However, those remedies are adversarial, complex, and emotionally taxing. Bankruptcy carries long-term financial consequences and requires public disclosure of sensitive personal information, which raises privacy and safety concerns. Litigation would require renewed confrontation with the individual who abused me.

From my experience seeking counsel, most family law programs and attorneys in Maryland—even those specifically dedicated to supporting survivors—do not currently take on coerced debt cases. I have been turned away countless times due to their lack of expertise. My only option has been to seek out general consumer law and debt collection attorneys, many of whom are not trained to work with survivors of coerced debt and financial abuse. During my first consultation with a bankruptcy attorney, I felt unheard, dismissed, and invalidated in my experience. When I explained my situation, I was told that if I knowingly signed the paperwork, it would not be considered fraud, and that I was responsible for each agreement I entered into. The way I was questioned—more accurately, interrogated—made me feel as though I was the one being put on trial. For survivors, the existence of a legal remedy does not mean it is safely or realistically accessible. Many cannot pursue litigation or bankruptcy without risking retaliation, financial ruin, or re-traumatization.

HB 1198 represents a critical and necessary step forward, helping ensure that survivors are not left to bear the long-term financial consequences of abuse. By allowing survivors to work directly with creditors to address coerced debt—without requiring escalation or direct action against the abuser—this legislation provides a practical, trauma-informed solution. I respectfully urge the Committee to issue a favorable report on HB 1198.”

COERCED DEBT PROTECTIONS BENEFIT SURVIVORS’ FINANCIAL STABILITY

Coerced debt protections support survivors’ efforts to build long-term financial security by providing a process for survivors to inform creditors that a debt was coerced before, during, or after a debt collection lawsuit. Specifically, this bill provides a process for survivors to seek relief from debt collection activities, reporting of coerced debt to consumer reporting agencies, and repayment for coerced debts. Furthermore, HB 1198 provides survivors a vehicle through which to seek damages from harm-doers for the coerced debt they incurred in a survivor’s name as well as clarifying that creditors can also pursue actions against the harm-doer regarding the coerced debt.

Current Legal Frameworks Do Not Provide Relief from Coerced Debt

While coerced debt mirrors identity theft, current federal legal frameworks do not provide survivors with relief from coerced debt. In a recent report, the National Consumer Law Center (NCLC) detailed multiple barriers blocking survivors from accessing relief utilizing identity theft protections under the Fair Credit Reporting Act; notably, the NCLC found that nationwide, “97% of respondents [direct service providers] said ‘no one, ever’ to ‘a few’

victims of coerced debt have ever been successful in disputing the coerced debt.”¹⁰ The NCLC’s findings underscore the importance of the provisions in HB 1198. For example, HB 1198 provides survivors with several evidentiary options to prove a debt was coerced, including documentation from a licensed health care provider. This will significantly assist survivors as 83.24% of respondents reported to the NCLC that consumer reporting agencies “sometimes, often, or always . . . will not accept documentation of coerced debt from anyone other than police/law enforcement.”¹¹ Strikingly, 73.78% of respondents reported that “sometimes, often, or always credit reporting agencies **refuse to block coerced debt even with a police report.**”¹² This data demonstrates that HB 1198 will provide protections that are otherwise not currently available to survivors.

States Filling in Legal Gaps by Enacting Coerced Debt Relief

Thus far, eight states lead the nation in providing coerced debt protections to survivors: Maine, Texas, California, Minnesota, Connecticut, Illinois, Nevada, and New York.¹³ Taking California as an example, passage of coerced debt protections does not result in a flood of cases or claims of coerced debt. Instead, the experience of legal aid attorneys indicates that enacting coerced debt relief merely creates a pathway. While California’s coerced debt relief became effective in 2023, legal aid attorneys assisting survivors have shared that many survivors seeking legal support still do not know about the available relief nor that they qualify.

Relatedly, FreeFrom has previously inquired into attorney referrals for survivors seeking assistance with coerced debt relief processes in California; despite the robust legal community, FreeFrom found few attorneys with experience or accepting cases related to coerced debt relief. In sum, enacting coerced debt protections is a necessary first step; proponents must then create public awareness of the relief as well as develop the legal expertise needed to effectuate the protections. California’s example suggests such implementation will be gradual over the course of many years.

For these reasons, FreeFrom strongly urges your support of HB 1198.

If you have any questions or would like to discuss FreeFrom's written testimony further, please do not hesitate to contact me.

Thank you very much for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Cynth Amezcua Zamudio". The signature is written in a cursive style with a long horizontal flourish at the end.

Cynthia Amezcua Zamudio
State Policy and Advocacy Manager
On behalf of FreeFrom

ENDNOTES

1. Sharon G. Smith et al., “The National Intimate Partner and Sexual Violence Survey: 2016/2017 State Report,” Centers for Disease Control and Prevention, National Center for Injury Prevention and Control (2023): 74, 86.
2. Kalysha Closson et al., “Physical, Sexual, and Intimate Partner Violence Among Transgender and Gender-Diverse Individuals,” *JAMA Network Open* 7, no. 6 (2024): 1, 10.1001/jamanetworkopen.2024.19137.
3. FreeFrom, *Support Every Survivor*, August 2022, 64, <https://www.freefrom.org/wp-content/uploads/2025/01/Support-Every-Survivor-PDF.pdf>.
4. Adrienne E. Adams, “Measuring the Effects of Domestic Violence on Women’s Financial Well-Being,” Center for Financial Security, University of Wisconsin-Madison (2011). <https://cfs.wisc.edu/wp-content/uploads/2015/04/adams2011.pdf>.
5. 34 USC §12291(a)(13).
6. Cora Peterson et al., “Lifetime economic burden of intimate partner violence among US adults,” *American Journal of Preventive Medicine* 55, no. 4 (2018): 433 - 444.
7. *Support Every Survivor*, 50.
8. *Id.* 44, 102.
9. *Id.* 50.
10. Andrea Bopp Stark and Carla Sanchez-Adams, “Disregarded and in Debt: Understanding Barriers to Relief for Victims of Coerced Debt,” National Consumer Law Center (2025): 46, https://www.nclc.org/wp-content/uploads/2025/10/202510_Report_Coerced-Debt.pdf.
11. *Id.* 40.
12. Emphasis added. *Id.* 50.
13. California Civil Code § 1798.97.1 et seq. Connecticut General Statutes § 36a-649 et seq. Minnesota Statutes 2025 §332.71 et seq. Nevada A.B 250, 83rd Session (2025). Texas Business and Commerce Code § 521.001 et seq. Illinois H.B. 3352, 104th General Assembly (2025). Maine (10 Maine Revised Statutes § 1310-H) (32 M.R.S § 11014). New York S.B. 1353A (2025).