



**Testimony to the House Judiciary Committee
HB1198 Civil Actions-Coerced Debt-Debtor Protections
Position: Favorable**

March 11 , 2026

The Honorable Sandy Bartlett, Chair
House Judiciary Committee
Room 100, House Office Building
Annapolis, Maryland 21401
cc: Members, Judicial Proceedings Committee

Chair Bartlett and Members of the Committee:

Economic Action is in strong support of HB1198 and thanks Del. Lopez for introducing the legislation. HB1198 establishes a process to assist survivors of coerced debt to be able to rebuild their lives and emerge from under a pile of financial debt that they were forced to assume.

Economic abuse is a form of abuse that ties a victim to their abuser by creating financial dependency or making it difficult for them to leave. Coerced debt is a particular form of financial abuse where an abuser either fraudulently takes out credit in a victim's name or forces an individual through threat, emotional manipulation, or violence to take on debt. Victims include survivors of intimate partner violence, elders, those trafficked, foster youth, and others.

The effects of coerced debt can be devastating. The debt may harm a victim's credit, making it more difficult to secure employment, new housing, or credit which further increases financial insecurity and makes it more difficult for an individual to leave an abusive relationship. Victims may experience aggressive collection activity including wage and bank garnishments, or bankruptcy. All of these actions serve to limit the ability of survivors to break free from the control of the abuse and rebuild their lives.

Existing consumer protection laws were not designed to address this reality. Without a clear statutory pathway, survivors are often forced into complex, expensive legal processes with no guaranteed relief—assuming they can obtain legal representation at all.

The scope and impact of coerced debt on victims of domestic violence is significant. The first in-depth [study](#) of coerced debt by the Center for Survivor Agency and Justice found that 67% of survivors of domestic violence had coerced debt. The median amount of coerced debt a survivor had was \$23,248, and the amount of coerced debt held by all women survivors totaled more than \$13.6 Million.

2209 Maryland Ave · Baltimore, MD · 21218 · 410-220-0494
info@econaction.org · www.econaction.org
Tax ID 52-2266235

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HB1198 creates a clear, efficient statutory process to address coerced debt:

- Survivors may submit a Statement of Economic Abuse, supported by documentation such as protection orders, police reports, or identity-theft affidavits.
- Upon notice, collection activity must pause, providing immediate relief and preventing further harm.
- Creditors must request removal of coerced debt from consumer credit reports, protecting survivors' financial futures.
- Creditors retain the right to pursue the debt from the perpetrator, the party who actually incurred it. The debt is not completely extinguished and the creditor still has an option for collection.
- Creditors may seek a court determination if they have a good-faith basis to dispute a coerced debt claim, protecting against abuse of the process.
- Survivors have access to remedies—including damages and attorney's fees—if protections are ignored.
- Courts are authorized to implement confidentiality and safety measures to reduce the risk of retaliation by abusers.

In states that have passed similar statutes including California, Connecticut, Illinois, Minnesota, Nevada, New York, Maine, and Texas, the result has been a decrease in debt collection actions for coerced debt, enabling survivors to rebuild their economic security and rebuild their lives.

HB1198 does not prohibit creditors from collecting on a debt nor does it impose burdensome new requirements. Instead, it establishes a process that addresses the needs of survivors by ensuring they can get a fresh financial start.

For all these reasons, we support HB1198 and urge a favorable report.

Best,

Marceline White
Executive Director

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