

Hearing of the House Judiciary Committee, March 11, 2026
Del. J. Sandy Bartlett, Chair
Del. Debra Davis, Vice Chair

Position: FAVORABLE on HB1198 – Civil Actions – Coerced Debt – Debtor Protections

Madam Chairwoman and Members of the Judiciary Committee,

Our names are Lily Constine and Shayne Lowman. We are third-year law students at the University of Baltimore School of Law where we work as research fellows for the Center on Applied Feminism. It is through our work with the Center that we support HB 1198. The Center's work focuses on advocating for gender and social justice.

Coerced Debt is a Form of Economic Abuse

- Coerced debt is a form of economic abuse in which an abuser creates debt in a survivor's name by taking out loans, using credit cards, or putting bills in the survivor's name using fraud, coercion, or manipulation.¹
- Coerced debt most often affects survivors of intimate partner violence or trafficking.²
- Individuals with coerced debt face long-term financial harm from debts they did not voluntarily assume.
- With damage to their credit, they can struggle to find new housing, obtain utility or smartphone service, or take other steps toward independence. They can also suffer psychological distress due to the burden of the debt.³

HB 1198 Would Help Protect Survivors of Economic Abuse in Maryland from Long-Term Financial Harm

- HB1198 provides consumer law protections for survivor-debtors whose debts were incurred through coercion.
- Currently, survivors of intimate partner violence in Maryland have few options to address their coerced debts. Existing laws, such as identity theft protections or general consumer protection statutes, do not address coercion in abusive relationships and thus often fail to provide meaningful relief.⁴
- In addition, traditional credit-repair processes are not designed to protect against coercion from intimate partners because it does not look like conventional "identify theft."⁵

¹ Center for Survivor Agency & Justice, https://csaj.org/wp-content/uploads/2022/10/CSAJ-CCD_Part-2_Understanding-Coerced-Debt.pdf

² Id.

³ Id.

⁴ Martinez, Kristine, *Alleviating the Burden of Coerced Debt*, 53 U. Balt. L. Rev. 537 (2024), https://scholarworks.law.ubalt.edu/cgi/viewcontent.cgi?params=/context/ublr/article/2146/&path_info=06_Martinez_for_Printer.pdf

⁵ Id.

- HB 1198 gives survivor-debtors legal remedies for coerced debt. A court may declare the debt coerced, order the creditor to stop collection attempts or credit reporting, dismiss pending collection lawsuits, and require creditors to notify credit reporting agencies to remove the debt from the survivor’s credit report. Survivors also may raise coerced debt as an affirmative defense if a creditor sues them.
- HB 1198 allows survivor to seek compensation from their abusers to recover what they paid in relation to the coerced debt, including attorney’s fees and court costs. It retains the rights of creditors to pursue the abuser responsible for the debt.
- HB 1198 includes safeguards that prevent fraudulent claims of coercion by requiring documentation, such as a police report, an FTC identity theft report, a court order, or a sworn statement from a qualified third party.

Other Jurisdictions Have Passed Similar Laws in Recent Years

- By adopting HB 1198, Maryland would join seven states (CA, CT, IL, ME, MN, NY, and TX) that have passed laws addressing coerced debt. The attached chart compares these statutes.
- There is currently no evidence of losses to creditors in states that have adopted coerced debt legislation.⁶
- There is also no evidence that coerced debt laws have resulted in a flood of new litigation. According to recent research, California’s coerced debt law, which was adopted in 2022, has only been used defensively in debt collection proceedings.⁷
- By contrast, there is ample empirical evidence demonstrating that victims benefit from coerced debt remedies. One study showed that one third of survivors of abuse who managed to remove coerced debt from their credit report saw their credit score improve at least 20 points.⁸
- Furthermore, credit reporting agencies and creditors have extensive processes for handling disputed debt. These processes have existed for decades, since the passage of the federal Fair Credit Reporting Act in 1970. HB 1198 simply adds a new basis for disputing debt to these long-standing routines.

Conclusion

Maryland should adopt HB 1198 to protect survivors of economic abuse from financial hardship, long term damage to their credit, and financial dependence on their abuser. HB 1198 would provide survivors with access to justice. We urge a favorable vote.

Contacts

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⁶ National Consumer Law Center, *Disregarded and In Debt*, https://www.nclc.org/wp-content/uploads/2025/10/202510_Report_Coerced-Debt.pdf

⁷ Economic Justice for Survivor’s Collective, Support Memo S.1353/A.3038, <https://herjustice.org/wp-content/uploads/2025/03/Memo-for-NYS-Coerced-Debt-Bill-Updated-2025-02.pdf>

⁸ Policy Brief, *Escaping Battered Credit: Findings from a Study of Coerced Debt in Abusive Marriages*, <https://csaj.org/wp-content/uploads/2024/05/Credit-Reporting-Policy-Brief-Final.pdf>.

COERCED DEBT STATE LEGISLATION as of March 2026

STATE	STATUTE & EFFECTIVE DATE	COERCED DEBT DEFINITION	DEBTOR/VICTIM MUST PROVIDE TO CREDITOR	CREDITOR RESPONSIBILITIES	AVAILABLE RELIEF	LIABILITY OF ABUSER/PERSON WHO CAUSED COERCED DEBT
MARYLAND PROPOSED BILL	HB 1198	"Coerced debt means all or a part of a debt in the debtor's name incurred as a result of fraud, duress, intimidation, threat, force, coercion, manipulation, undue influence, misinformation, or the nonconsensual use of the debtor's personal identifying information that occurs from abuse, exploitation of children in an out-of-home placement, financial exploitation, harassment, human or labor trafficking."	<p>Written notice to creditor before filing a civil action identifying the account(s) and asserting coerced debt.</p> <p>Notice must include documentation:</p> <ul style="list-style-type: none"> • Police report; • FTC identity theft report; • Court order; or • Sworn written statement form qualified third party 	<ul style="list-style-type: none"> • Accept coerced-debt notices using required timelines • Acknowledge receipt in writing; • If incomplete, identify missing documentation • Notify consumer reporting agencies (CRAs) of dispute; • Within 30 days issue written determination to cease or continue; if ceasing, report deletion to CRAs; if resuming, provide advance notice to debtor. 	<p>After 30-day notice to creditor, debtor can seek equitable relief in court, including:</p> <ul style="list-style-type: none"> • Declaratory judgment that debt was coerced • Injunction prohibiting collection, enforcement or credit reporting; • Dismissal of pending collection cases; • Order requiring creditor to report deletion of debt to CRAs. • Debtor victim has affirmative defense in collection suits. • Court may adopt protective measures to safeguard the debtor. 	Civily liable to the debtor for the coerced amount plus attorneys' fees and costs; creditor retains right to sue person who caused coerced debt.
CALIFORNIA	Cal. Civ. Code § 1798.97.1 – 1798.97.6 Eff. Date 1/1/2023	Coerced debt means "a particular debt, or portion thereof, for personal, family, or household use in the name of a debtor who is a victim of domestic violence, or a victim of	Adequate documentation in the form of a police report; an FTC identity theft report; a court order; or written verification from a qualified third party. Debtor must also	After proper and timely notice, claimant must within 10 business days stop collections; if incomplete, send written notice of additional information needed; notify CRAs that the	Declaratory judgment and injunction preventing collection or credit reporting of the coerced portion; Dismissal of any pending collection	Civily liable to the claimant for damages plus attorneys' fees and costs.

		elder or dependent adult abuse, or a person who is a foster youth, incurred as a result of duress, intimidation, threat of force, force, fraud, or undue influence.”	provide sworn written certification of coerced debt.	account is disputed; conduct good faith review and issue a written determination; cease collection until written determination is sent.	cases regarding the coerced portion.	
CONNECTICUT	Conn. Gen. Stat. § 36a-650 to 651 Eff. Date: 6/24/2025 (applies only to unsecured credit card debt incurred on/after 1/1/25)	“Coerced debt” means any debt incurred in the name of a debtor who is a victim of domestic violence...when such debt was incurred in response to any duress, intimidation, threat of force, force or undue influence used to specifically coerce the debtor into incurring such debt	Written statement identifying the account(s), facts, non-authorization, and safe contact information; Identification of the perpetrator (unless disclosure results in likely abuse); supporting documentation from a qualified third party or other permitted sources.	Suspend debt within 10 days of written notice, conduct investigation; communicate determination in writing.	Claimant must permanently cease collection activities if claim is found in good faith. Debtor can only use statute one time.	Knowingly causing coerced debt creates civil liability to the debtor for the amount of coerced debt and reasonable attorneys’ fees and costs.
ILLINOIS	205 Ill. Comp. Stat. § 740/9.6 Eff. Date: 1/1/2026	“Coerced debt” is any debt as defined by this Act or a portion of the debt, except for debt secured by real property, that was incurred by the debtor because of fraud, duress, intimidation, threat, force, coercion, undue influence, or the non-consensual use of the debtor's personal identifying information between family or household members. (Excludes debt secured by real property.)	Provide written Statement with information to identify the account; inform credit report agencies of coerced debt; and provide facts describing how debt was incurred. Provide supporting documentation from one of the following: police report; court order; third-party verification on department form; or other documents demonstrating coerced debt.	Within 5 days of receiving complete submission, cease pre-judgment collection and notify CRAs of dispute; review documentation, if determined in good faith that coerced debt did not exist, provide written notice to debtor with determination and reasoning; If good faith determination that coerced debt did exist, stop collection activities and notify the debtor and delete information.	Collection agency that fails to comply is liable to debtor for damages. Debtor has affirmative defense in collection action. Court may take steps to protect safety of debtor.	Civilly liable to the claimant and the debtor.

<p>MAINE</p>	<p>Me. Rev. Stat. Ann. Tit. 32 § 11014(2-A) (debt collection); 10 Me. Rev. Stat. § 1310-H(2-A) (credit reporting); 19 Me. Rev. Stat. § 4002 (3-B) (economic abuse)</p> <p>Eff. Date: 9/19/2019</p>	<p>Maine does not use the term coerced debt.</p> <p>“Economic abuse” means causing or attempting to cause an individual to be financially dependent by maintaining control over the individual’s financial resources, including, but not limited to, unauthorized or coerced use of credit or property, withholding access to money or credit cards, forbidding attendance at school or employment, stealing from or defrauding an individual of money or assets, exploiting the individual’s resources for personal gain of the defendant or withholding physical resources</p>	<p>Perpetrator’s information and acceptable documentation -- A statement signed by a Maine-based sexual assault counselor, domestic violence advocate, or witness advocate; statement signed by a healthcare or mental healthcare provider; police report; copy of the protection from abuse/harassment complaint or temporary order; or a copy of a criminal complaint.</p>	<p>Cease collection of debt owed by the consumer subjected to economic abuse; CRAs must reinvestigate, and if confirmed, remove any reference to debts resulting from economic abuse. Debt cannot be sold to a debt buyer.</p>	<p>If debt is result of economic abuse, remove any reference to the debt from consumer’s credit report. Courts may enter findings of economic abuse and order appropriate relief within protection proceedings.</p>	<p>Civilly liable to the debtor and reasonable attorney fees and costs.</p>
<p>MINNESOTA</p>	<p>Minn. Stat. Ann. § 332.72-74</p> <p>Eff. Date 1/1/2025</p>	<p>“Coerced debt” means all or a portion of debt in a debtor’s name that has been incurred as a result of the use of the debtor’s personal information without the debtor’s knowledge, authorization, or consent;</p>	<p>Debtor must send by certified mail, in writing, that debt or is coerced with documentation, including: an assertion that the debtor is a victim of domestic abuse, economic abuse, or sex or labor trafficking;</p>	<p>Cease collection upon receiving coerced-debt notice from the debtor, review the debtor’s documentation, notify credit bureaus appropriately, issue a timely written determination, and follow all statutory procedures to maintain the right to</p>	<p>After 30-day notice to creditor, debtor can seek equitable relief in court, including: declaratory judgment and injunction halting collection and order dismissing or amending any collection action. Courts have discretion</p>	<p>Civilly liable to the creditor for the debt along with reasonable attorney fees and costs.</p>

		<p>the use or threat of force, intimidation, undue influence, fraud, deception, coercion, or other similar means against the debtor; or economic abuse perpetrated against the debtor.</p> <p>(b) Coerced debt does not include secured debt.</p>	<p>facts supporting the claim that the debt is coerced; and if only a portion of the debt is claimed to be coerced debt, an itemization of the debt.</p>	<p>pursue the wrongdoer for damages.</p>	<p>to take steps to protect safety of the debtor.</p>	
NEW YORK	<p>N.Y. Gen. Bus. Law § 604-aa to 604-dd</p> <p>Eff. Date 3/19/2026</p>	<p>“Coerced debt” is debt incurred as a result of economic abuse, including but not limited to, by means of fraud, duress, intimidation, threat, force, coercion, manipulation, or undue influence, the non-consensual use of the debtor's personal information.</p>	<p>Written notice including debtor’s sworn statement that debt is coerced and that debtor did not receive any benefit from the debt, and documentation, including -- Police report; FTC ID theft report; court order; or written verification from a qualified third party</p>	<p>Cease all collections immediately upon proper notice; send required statutory notice if debtor’s submission is incomplete; Investigate and issue a written determination within 35 business days; notify credit bureaus within 10 business days that the debt is keep collection paused until written determination is disputed; if debt is coerced, notify credit bureaus within 10 days</p>	<p>Declaratory judgment that debt was coerced; Injunction stopping collection, enforcement, or credit reporting; Deletion of adverse information posted by creditor.</p>	<p>Civilly liable to the debtor for damages plus attorney’s fees and costs</p>
TEXAS	<p>Tex. Bus. & Com. Code Ann. § 521.051 & Tex. Fin. Code § 392.308</p> <p>Eff. Date: 9/1/2021</p>	<p>Texas does not use the term “coerced debt.” It frames the issue in terms of “identity theft.” In Texas, “effective consent” includes consent given by a person legally authorized to</p>	<p>Police Report and Identification of the Coerced Debt, or Identity-Theft Court Order, or FTC Identity Theft Report</p>	<p>A Texas creditor may not attempt to collect a coerced/ identity-theft debt once the consumer provides the required information; Once provided, the creditor must cease all collection activity</p>	<p>A debtor can seek a court order, which bars collection from the victim and supports correction of credit reporting; creditor can pursue claims against the perpetrator.</p>	<p>Texas imposes civil and criminal liability on the abuser. Abuser can be charged with felony identity theft.</p> <p>Debtor-victim and creditor can sue abuser.</p>

		act on behalf of the person from whom consent is required. Consent is not effective if: (1) induced by force, threat, fraud, or coercion; or (2) given by a person who by reason of youth, mental illness, or intellectual disability is known by the actor to be unable to make reasonable decisions.				
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Prepared by the Center on Applied Feminism, University of Baltimore School of Law