



Working to end sexual violence in Maryland

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Testimony Supporting House Bill 1198
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The Maryland Coalition Against Sexual Assault (MCASA) is a non-profit membership organization that includes the State's seventeen rape crisis centers, law enforcement, mental health and health care providers, attorneys, educators, survivors of sexual violence and other concerned individuals. MCASA includes the Sexual Assault Legal Institute (SALI), a statewide legal services provider for survivors of sexual assault. MCASA represents the unified voice and combined energy of all of its members working to eliminate sexual violence. We urge the Judiciary Committee to report favorably on House Bill 1198.

House Bill 1198 – Coerced Debt

House Bill 1198 is a significant piece of legislation designed to protect survivors of abuse from "coerced debt" - a form of economic abuse where an abuser uses fraud or coercion to incur debt in a survivor's name. While it is commonly referred to as a bill to help survivors of domestic violence, it is important to recognize that the relief proposed would also be available to survivors of child sexual abuse, human trafficking, children in out of home placements, harassment, and forms of "abuse" as defined by Family Law §4-501.

This breadth of protection and availability is critical. MCASA, its Sexual Assault Legal Institute, and member rape crisis centers, have encountered cases where sex offenders have taken out credit cards in their children's name and ruined their credit, leaving them with both the scars of abuse and substantial financial burdens. Similarly, survivors of human trafficking often report that the traffickers force them into taking on debt as part of their efforts to control their victims.

Coerced debt is when an abuser uses fraud, threats, or physical force to incur debt in the survivor's name. This can include forcing a partner to sign for a car loan they can't afford, opening credit cards without their knowledge, or threatening them into taking out high-interest personal loans. Because the debt is legally tied to the survivor, it often results in ruined credit scores and aggressive collection lawsuits, creating a "financial shackle" that often does persist long after the other abuse has ended.

The bill establishes that a debt is considered coerced if it resulted from specific abusive behaviors, such as:

- **Coercion or Duress:** Threatening the survivor or their family members to force them to sign loan documents or provide access to credit.

- Fraud or Identity Theft: Using the survivor's personal identifying information to open accounts, such as credit cards or utility services, without their knowledge.
- Undue Influence: Exploiting a power imbalance to manipulate the survivor into entering a financial contract that primarily benefits the abuser.

House Bill 1198 would assist survivors by establishing a clear legal framework to challenge and discharge debts that resulted from abuse. It provides a mechanism for survivors to notify creditors of the coercion, effectively halting aggressive debt collection activities and providing a path to clear their credit records.

Specific ways this bill would help survivors include:

- Cease and Desist Requirements: It allows a debtor to provide formal notice to a creditor regarding the coerced nature of the debt. Once notified, the creditor is required to cease collection activities while the claim is investigated.
- Civil Cause of Action: The bill authorizes survivors to bring an action against a creditor to seek a court order declaring the debt as coerced. This provides survivors with a proactive legal tool rather than forcing them to remain defensive against collection lawsuits.
- Economic Independence: **By removing the burden of fraudulent debt, the bill helps survivors regain financial autonomy and control over their own lives.**

**The Maryland Coalition Against Sexual Assault urges the
Judiciary Committee to
report favorably on House Bill 1198**