

MDOA - FAV - HB 1198 3.8.26.docx.pdf

Uploaded by: Andrea Nunez

Position: FAV



Wes Moore | Governor

Aruna Miller | Lt. Governor

Carmel Roques | Secretary

Date: March 9, 2026

Bill Number: HB 1198

Bill Title: Civil Actions - Coerced Debt - Debtor Protections

Committee: House Judiciary Committee

MDOA Position: FAVORABLE

Madam Chair, Vice-Chair and Members of the Committee:

The Maryland Department of Aging (MDOA) respectfully submits this favorable testimony on House Bill (HB) 1198 - Civil Actions - Coerced Debt - Debtor Protections.

HB 1198 would establish a clear, comprehensive process for a person to declare that a debt was coerced and connect it to useful new civil remedies to stop its collection and seek damage and other costs against the party that caused it. Coerced debt is defined broadly to include “all or 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 information” that occurs in the contexts of many exploitative situations, including financial exploitation, harassment, or abuse.

MDOA commends the sponsor for including financial exploitation as defined in § 13-061 of the Estates and Trusts Article, which includes all older adults over the age of 68 and vulnerable adults, in the categories of people who become victims of coerced debt and would be eligible for this new relief. MDOA supports this legislation’s broad scope, in recognition that many kinds of people, of all ages, can have a debt against them that was unacceptably coercive in nature, whether the person was a victim of elder abuse, intimate partner violence, sex or labor trafficking, or a younger person in foster care.



Wes Moore | Governor

Aruna Miller | Lt. Governor

Carmel Roques | Secretary

The need for this type of relief is underscored by MDOA’s recently published Longevity Ready Maryland Plan,¹ as informed by the state’s recent Final Report of the Task Force on Preventing and Countering Elder Abuse.² This report confirms that older adults are particularly vulnerable to losing money or possessions as a result of scams, fraud and exploitation, that financial exploitation of older adults is costly, widespread, often unreported, difficult to prosecute and leave older adults in vulnerable positions with limited ability to recover their losses. This legislation is a critical step forward for victims of elder abuse and financial exploitation. It will increase their ability to be made whole without additional cost to them, a crucial step in rebuilding their lives.

For these reasons, MDOA requests a favorable report for HB 1198. Thank you for your consideration, please contact Andrea Nunez, Legislative Director, andrea.nunez@maryland.gov, 443-414-8183.

¹ MDOA Longevity Ready Maryland Plan, July, 2025, *available at:* https://irm.maryland.gov/wp-content/uploads/LRM_MPA508c-1.pdf

² Task Force on Preventing and Countering Elder Abuse, December, 2024, *available at:* [https://dlslibrary.state.md.us/publications/Exec/MDoA/SB797Ch706HB1191Ch707\(2023\)_2024\(12\).pdf](https://dlslibrary.state.md.us/publications/Exec/MDoA/SB797Ch706HB1191Ch707(2023)_2024(12).pdf)

HouseBill1198TestimonyHRM.pdf

Uploaded by: Caron Watkins

Position: FAV



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.

HB 1198 Civil Actions - Coerced Debt - Debtor Prot

Uploaded by: Catherine OMalley

Position: FAV

BILL NO:	House Bill 1198
TITLE:	Civil Actions – Coerced Debt – Debt Protections
COMMITTEE:	Judiciary
HEARING DATE:	March 11, 2026
POSITION:	SUPPORT

The Women's Law Center of Maryland is dedicated to ensuring the physical safety, economic security, and bodily autonomy of women across the State. Through our work representing survivors of intimate partner violence, we regularly see how abusers use financial control to maintain power and prevent survivors from leaving unsafe relationships. For these reasons, the Women's Law Center urges a **favorable report on HB 1198**.

House Bill 1198 addresses “**coerced debt**,” a harmful form of economic abuse in which an abuser incurs debt in a survivor's name through fraud, coercion, threats, or misuse of personal identifying information. Financial abuse is a common tactic in abusive relationships, often involving restricting a survivor's access to money, monitoring spending, or preventing employment or education. These tactics create forced dependency and make it significantly harder for survivors to leave abusive situations or support themselves and their children.

Coerced debt is a particularly damaging subset of financial abuse. Abusers may open credit cards, take out loans, or force survivors to sign financial documents they do not understand or cannot afford. Because the debt is legally tied to the survivor, it frequently results in damaged credit, aggressive collection efforts, and long-term financial instability that can continue long after the abusive relationship ends.

HB 1198 creates a clear legal framework to address this problem by defining coerced debt as debt incurred through fraud, duress, intimidation, threat, force, coercion, manipulation, undue influence, misinformation, or the nonconsensual use of a survivor's personal identifying information in the context of abuse, including abuse defined under Maryland's protection order statute, Md. FL Code §4-501 et seq. This definition captures common scenarios where an abuser uses threats, identity theft, or power imbalances to impose financial obligations on a survivor.

Importantly, the bill provides survivors with practical tools to challenge these debts. It allows survivors to notify creditors that a debt was coerced, requires creditors to pause collection activity while the claim is reviewed, and authorizes survivors to bring a civil action to obtain a court determination that the debt is coerced. By creating a pathway to halt collection efforts and clear fraudulent obligations, the bill helps survivors restore their credit and regain financial stability.

Economic independence is often essential for survivors to safely leave abusive relationships and rebuild their lives. By addressing coerced debt, HB 1198 removes a significant barrier that keeps many survivors financially tied to their abusers.

For these reasons, the Women's Law Center of Maryland **urges a favorable report on HB 1198**.

Testimony HB 1198 CRBC 030536.pdf

Uploaded by: Crystal Young

Position: FAV



To: Delegate J. Sandy Barlett, Chair
Delegate Debra Davis, Vice Chair
Member of the House Judiciary Committee
March 11, 2026

The Citizens Review Board for Children (CRBC) expresses support for **HB1198 – Civic Actions – Coerced Debt – Debtor Protections.**

HB1198 seeks to create provisions authorizing a debtor to provide certain notice to a creditor and request that the creditor cease debt collection activity relating to a coerced debt; authorizing a debtor, after providing a creditor with certain notice, to bring an action against the creditor seeking certain relief; authorizing a debtor to bring a certain action against a certain individual; establishing a certain affirmative defense; and generally relating to coerced debt. The proposed legislation enables those people who acquired debt that they did not create and were unaware that the debt exists to seek relief.

CRBC reviews cases of children across the entire state of Maryland in all 24 jurisdictions who are in the state's foster care out-of-home placements. In doing so, various reviews have revealed that when a young person is preparing to age out of care, it was discovered that they had outstanding debt in their name that was established for them as a young child. Oftentimes, the parent/caregiver's credit is below standard, and they decide to utilize their son or daughter's information to create a Baltimore Electric Company or telephone account in their child's name not considering what might transpire down the road for the child. This action was a common practice for many and it has had long lasting impact on the child/youth which often can impede their progress towards self-sufficiency.

HB1198 will give young people a fighting chance to begin their own lives to clear up any negative debt that they did not create and have an opportunity to begin their lives with a clean slate to begin to establish their own credit histories. For this reason, the Citizens Review Board for Children urges a favorable report for **HB1198**.

FreeFrom - Favorable Written Testimony for HB 1198

Uploaded by: Cynthia Amezcua Zamudio

Position: FAV



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

CONTACT: cynthia.amezcua@freefrom.org | 3040 E. 12th St. #27, Los Angeles, CA 90023 | (213) 973-8074

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).

Late testimony

Uploaded by: Dana Jones

Position: FAV

DEL. DANA JONES, DISTRICT 30A
President

DEL. MICHELE GUYTON, DISTRICT 42B
1st Vice-President

DEL. JENNIFER WHITE HOLLAND, DISTRICT 10
2nd Vice-President

DEL. SARAH WOLEK, DISTRICT 16
Secretary



DEL. LINDA FOLEY, DISTRICT 15
Treasurer

DEL. KAREN R. TOLES, DISTRICT 25
Parliamentarian

DEL. JACQUELINE T. ADDISON, DISTRICT 45
At Large

DEL. KYM TAYLOR, DISTRICT 23
At Large

WOMEN LEGISLATORS OF MARYLAND
THE MARYLAND GENERAL ASSEMBLY

Wednesday, February 25, 2026

To: Delegate J. Sandy Bartlett, Chair

Delegate, Debra Davis, Vice Chair

Judiciary Committee.

The Maryland Women's Caucus proudly supports HB 1389 – Public Health – Female Genital Mutilation.

HB 1389 amends § 5-701 of the Family Law Article to explicitly include female genital mutilation (FGM) within the definition of child abuse. By doing so, the bill establishes clear mandatory reporting requirements for suspected abuse or neglect involving FGM, strengthening protections for girls who are at risk of being subjected to this harmful practice.

Female genital mutilation has no medical justification and involves the partial or total removal of, or injury to, the external female genitalia. While often rooted in cultural traditions that claim to promote purity, modesty, or marriageability, FGM is a practice that exists to control women's bodies and suppress female autonomy. It is internationally recognized as a human rights violation that disproportionately harms girls, often between infancy and adolescence.

The consequences of FGM are severe and lifelong. Physical harms include excessive bleeding, infection, urinary and menstrual complications, abnormal scarring, chronic pain, complications during childbirth, and pain during intercourse. The psychological impact can be equally devastating, including trauma, anxiety, depression, post-traumatic stress disorder, and loss of trust in caregivers who consent to or facilitate the procedure. FGM offers no benefit to a child's health or well-being and causes irreversible harm.

HB 1389 also imposes criminal liability on medical professionals who perform FGM. The increasing medicalization of this practice—where licensed healthcare providers carry out the procedure—does not mitigate its harm or illegality. Regardless of who performs it, FGM remains a violation of medical ethics, human rights, and child welfare.

By explicitly defining FGM as abuse, HB 1389 ensures accountability for those who perform, facilitate, or consent to this practice and strengthens Maryland's commitment to protecting the health, rights, and dignity of girls.

For these reasons, the Maryland Women's Caucus respectfully urges a favorable report on HB 1389.

HB1198 CPMC FAV JUD.pdf

Uploaded by: Diana Philip

Position: FAV

THE COALITION TO PROTECT MARYLAND'S CHILDREN

Our Mission: To combine and amplify the power of organizations and citizens working together to keep children safe from abuse and neglect. We strive to secure budgetary and public policy resources to make meaningful and measurable improvements in safety, permanence, and wellbeing.



CPMC
COALITION TO PROTECT
MARYLAND'S CHILDREN

HB1198 – Civil Actions - Coerced Debt - Debtor Protections

House Judiciary Committee

March 11, 2026

Position: SUPPORT

The Coalition to Protect Maryland's Children is a consortium of organizations and individuals formed in 1992 who are concerned about the care of Maryland's most vulnerable children and work together to educate and promote meaningful child welfare reform. **CPMC urges a favorable report on HB1198 - Civil Actions - Coerced Debt - Debtor Protections.**

HB1198 seeks to develop new civil actions for a victim of identify theft who has been forced into a coerced debt by allowing the ability to challenge the debt, obtain injunctive relief from debt collection efforts, and recover damages related to the debt. Our coalition appreciates the inclusion of children in out-of-home placements or foster care as Marylanders eligible for these types of relief. Our members have concerns about foster youth aging out of the system who are caught unaware that their identities have been compromised and that financial accounts have been created without their knowledge or consent. Fraudulent or inaccurate credit reports frustrate the ability to successful transition into independent adulthood, such as housing, employment, school loans, or other financing. Foster children are at high risk of identity theft as their personal identification information can be accessed by numerous parties while they are in the child welfare system.

2014 federal law requires annual credit checks of youth 14 years and older who had been in the foster care system for at least 6 months. [A recent study](#) conducted by the U.S. Department of Health and Human Services Office of the Inspector General found that in a sample of foster care children assessed in 2021, over half did not have this credit check conducted. In fact, four percent of the children had credit reports, which is disconcerting since minors do not generally have the legal capacity to sign a contract or apply for credit. All 50 states and Washington, DC, participated in the study which also reported challenges case workers often face to “assist the child in interpreting and resolving any inaccuracies on an individual basis”.

We welcome any efforts that can be made to further the success of these young people who have been placed in the care of the state. It is for these reasons that the Coalition to Protect Maryland's Children **urges a favorable report on HB1198 - Civil Actions - Coerced Debt - Debtor Protections.**¹

¹ Members of CPMC represented by this written testimony include – Center for Hope, Citizen's Review Board for Children Court Appointed Special Advocates (CASA - Baltimore County), Maryland Association of Resources for Families and Youth (MARFY), National Association of Social Workers – MD (NASW), the State Council on Child Abuse & Neglect (SCCAN), and individual members of the coalition.

HB1198 2026 Testimony - Coerced Debt - Favorable -

Uploaded by: Emanwel Turnbull

Position: FAV

March 9, 2026

Hon. Sandy Bartlett
Chair
House Judiciary Committee

RE: House Bill 1198 – Civil Actions – Coerced Debt – Debtor Protections

Position: FAVORABLE

The Holland Law Firm represents ordinary Marylanders in consumer rights cases. We¹ have represented victims of domestic and elder abuse. This bill provides victims with a way to escape the crushing burden of debts foisted upon them by their abusers.

Most instances of domestic abuse involve some degree of financial abuse. Through our financial and credit reporting system, victims who escape their abusers can still be tied to them by transactions that were never their choice and from which they derived no real benefit. Challenging such debts is extremely difficult.

For example, I represented a victim of domestic abuse. After escaping her abuser, she discovered that he had opened various credit cards in her name over several years. She was completely unaware. Even in such a situation, where the law is clear, establishing that the victim did not owe the money and freeing her of collection efforts and negative credit reporting was very difficult. The transactions were in the right location and the address on the accounts was her own (her abuser controlled the mail). The purchases were not obviously fraudulent.

In circumstances like this, many creditors will simply disbelieve the victim, even in this case where there was evidence of abuse in a domestic violence

¹ Although I am a member of the Licensing Workgroup in the Office of the Commissioner of Financial Regulation, I submit this testimony only in my private capacity.

protective order. It will be difficult to prove whether any account was the result of identity theft or if the victim was tricked or coerced into opening the account.

This bill provides a way for victims of legally-recognized abuse to get relief from debts arising from that abuse. It provides victims with a way to proactively and directly seek relief from creditors and, if the creditors refuse to help, from the courts. It provides creditors with procedures and standards to follow that are not onerous and are straightforward.

For victims of coerced debt, physically escaping an abuser is only the beginning. At present, victims can face years of collection activity for money they never saw, for debts they never would have taken on — each collection letter being a reminder of their abuse. They can face years of being denied credit because the coerced debt on their reports wrongfully makes them look like a bad credit risk. This bill will help stop misguided attempts by creditors to collect unjust debts from victims of abuse and correct the negative and misleading reporting of those debts to the national credit reporting agency.

/s/ Emanwel J. Turnbull
Emanwel J. Turnbull
Partner
The Holland Law Firm, P.C.

Testimony in Support of HB1471 and HB1198.pdf

Uploaded by: Fariba Kazemi Khasragh

Position: FAV

Testimony in Support of HB1471 and HB1198
Legislation Protecting Victims of Identity Theft and Coerced Debt
House Judiciary Committee
March 11, 2026

Fariba Kazemi Khasragh
Germantown, Maryland, 20874

My name is Fariba Kazemi Khasragh. I am a Maryland resident, an immigrant, and a highly educated professional who came to the United States to build a safe and productive life.

Several years ago, while leaving an abusive marriage, I discovered that my ex-husband had misused my identity to commit financial fraud without my knowledge or consent. At the same time, I was navigating a difficult divorce and was involved as a victim and witness in criminal proceedings related to that abuse. In the middle of this already devastating situation, I suddenly found myself facing another battle: proving that debts and financial accounts created in my name were not mine.

For years, I did everything the system required of me. I submitted the mandatory forms, followed consumer protection procedures, and gathered extensive documentation and evidence. I sent certified letters, faxed records, made countless phone calls, and repeatedly explained the situation to financial institutions. I spent countless hours, weeks, months, and ultimately years trying to prove that I was the victim of identity theft.

Despite overwhelming documentation, my voice and my evidence were often ignored.

My experience is not unique. Many victims of identity theft face the same long and exhausting process simply to prove that they are victims.

During those same years, I was also trying to rebuild my life after domestic physical, sexual, and financial abuse. I was working to establish professional stability in the United States and move forward in my career. However, the constant legal and financial battles consumed enormous time, emotional energy, and mental strength; especially while I was already in a vulnerable financial and personal situation.

The stress and trauma accumulated over time and severely affected my ability to move forward professionally and personally.

At one point, the pressure became so overwhelming that I required hospitalization. Even after the legal matters were finally resolved in 2024, I continue to receive treatment for post-traumatic stress related to these experiences.

Years of my life were consumed not only by the original abuse, but by a system that failed to respond to a victim despite clear evidence.

Today, I am still trying to rebuild the professional life and stability that were delayed by these events. The emotional, psychological, and financial consequences of identity theft do not end when a case is closed. The impact can last for years.

No victim should have to spend years proving that they did not commit fraud against themselves.

Stronger legal protections and more responsive processes are essential so that victims of identity theft are heard, believed, and protected more quickly. Laws that ensure timely investigation and accountability would prevent many victims from enduring the prolonged harm that I experienced.

I respectfully urge you to support legislation that strengthens protections for victims and helps ensure that others do not have to endure the same prolonged and devastating process.

Thank you for your time and considering legislation that protects victims of identity theft and coerced debt.

Fariba Kazemi Khasragh

MVLS Testimony in Support of HB1198 Coerced Debt R

Uploaded by: Heather Heiman

Position: FAV



JUSTICE FOR ALL

MARYLAND HOUSE JUDICIARY COMMITTEE
TESTIMONY OF MARYLAND VOLUNTEER LAWYERS SERVICE
IN SUPPORT OF HB 1198
CIVIL ACTIONS - COERCED DEBT - DEBTOR PROTECTIONS

Susan Francis
EXECUTIVE DIRECTOR

March 9, 2026

BOARD OF DIRECTORS

David G. Sommer
PRESIDENT

Penny J. Minna
VICE PRESIDENT

James Tansey
TREASURER

Reba Letsa
SECRETARY

Payal Amin
Monica R. Basche
Brent A. Bolea
Jhonell Campbell
Richard L. Costella
Susan DuMont
Brian Gordon
Nicole M. Lacoste Folks
Lydia E. Lawless
Robin Leone
Anthony May
Kimberly H. Neal
Lelia F. Parker
Stephanie A. Polk
Angela Russell
Rebecca Sheppard
Syma Ahmad Siddiqui
Sheila J. Stewart
Emily J. Wilson

Chairwoman Bartlett and distinguished members of the Committee, thank you for the opportunity to testify in support of House Bill 1198.

My name is Heather Heiman, and I am an attorney with Maryland Volunteer Lawyers Service (MVLS) and manager of MVLS' partnership with the Human Trafficking Prevention Project (HTPP). MVLS is the oldest and largest pro bono civil legal service provider to low-income Marylanders. Since MVLS' founding in 1981, our statewide panel of over 700 volunteers has provided free legal services to over 115,000 Marylanders in a wide range of civil legal matters. In FY25, MVLS volunteers and staff lawyers placed and closed 3,233 cases, providing legal services to 6,770 clients and immediate family members across the State.

In FY17, MVLS began a partnership with the Human Trafficking Prevention Project, a co-grant project funded through the Governor's Office of Crime, Control, and Prevention (GOCCP). Through this partnership, MVLS provides pro bono post-conviction relief such as expungement, shielding, and vacatur, as well as assistance with consumer debt, housing, and family law matters to those who meet the legal definition of a victim of human trafficking, and others who are put at high risk for exploitation, including survivors of domestic violence. Since the inception of the partnership, MVLS has served over 400 clients who were survivors of human trafficking, domestic abuse, or placed at high risk for exploitation, many of whom sought legal help with debt and credit issues resulting from coercion and violence by their abusers. For reasons explained below, MVLS respectfully requests that the Committee returns a favorable report on HB 1198.

Coerced debt is devastating for survivors of domestic violence and human trafficking. Abusers and traffickers frequently take identity documents like driver's licenses, passports, or identification cards and may fraudulently use these documents to apply for credit cards, bank accounts, loans, and leases in the survivor's name. Abusers also will coerce survivors into opening accounts, transferring funds, or initiating rentals due to threats of violence or other consequences to themselves or others.

Coerced debt not only makes it more challenging to leave an abusive or exploitative situation, but also continues to impact survivors long after leaving – significant debt, collection actions, outstanding loans or car payments, and poor credit have a ripple effect and can prevent survivors from accessing safe housing, securing employment opportunities, moving forward with stabilizing immigration status, and obtaining loans and credit, making it challenging to rebuild their lives.

At MVLS – and particularly through the MVLS HTPP partnership – we frequently assist clients who are struggling with the aftermath of coerced debt that arose from domestic violence and human trafficking. One of our clients, Ms. S*, a survivor of domestic violence, is currently facing multiple collection actions due to financial exploitation by her abuser. He has coerced her into transferring funds against her will, overdrawn mutual accounts, and opened loans in her name without her consent. Ms. S is fearful of reporting the abuse and exploitation to law enforcement, but is working with licensed mental health professionals and other advocates to whom she has disclosed the abuse and financial exploitation. She also sought assistance to dispute the financial debt through the credit bureaus, with their response stating these types of debt were legitimate. She is also concerned about the impact that the significant debt under her name, accrued by her abuser, could have on her path to naturalization. HB1198 provides a way forward for Ms. S to safely document her financial victimization, address pending collection actions, rectify damage to her credit, and help stabilize her future.

House Bill 1198 would provide a lifeline for victims of human trafficking and domestic violence by providing a clear and safe process for survivors to document coerced debt, notify creditors, and defend collection actions that penalize the victim instead of the abuser. For these reasons, MVLS supports House Bill 1198. We respectfully urge a favorable report.

**Client identity withheld for privacy and safety.*

HB1198 - Civil Actions - Coerced Debt - Debtor Pro

Uploaded by: Jessica Morgan

Position: FAV



Bill No: HB1198
Title: Civil Actions - Coerced Debt - Debtor Protections
Committee: Judiciary
Hearing: March 11, 2026
Position: FAVORABLE

The Maryland Legislative Agenda for Women (MLAW) is a statewide coalition of women’s groups and individuals formed to provide a non-partisan, independent voice for Maryland women and families. MLAW’s purpose is to advocate for legislation affecting women and families. To accomplish this goal, MLAW creates an annual legislative agenda with issues voted on by MLAW members and endorsed by organizations and individuals from all over Maryland. [HB1198 - Civil Actions - Coerced Debt - Debtor Protections](#) is a priority on the [2026 MLAW Agenda](#) and we urge your support.

HB1131 - Public Health - Pregnancy Loss - Prohibited Actions (Pregnancy Outcome Protection Act) would allow victims of coerced debt at the hands of their abuser to be freed from the debt while allowing the creditor to go after the abusive person who actually caused the debt to be incurred.

The coerced debt bill would assist women by providing legal and financial protections against economic abuse, such as relieving them of the obligation to repay them. These laws empower survivors of abuse to sever financial ties to their abuser by offering a legal framework to prove the debt was incurred fraudulently, which helps them begin to regain financial stability and freedom.

The legislation would provide a framework to prove that debt was incurred as part of a power and control based domestic violence relationship. It would also provide a remedy to creditors who would be able to pursue the abusive person who is actually responsible for the debt.

For these reasons, MLAW strongly urges the passage of HB1198.

MLAW 2026 Supporting Organizations

The following organizations have signed on in support of our 2026 Legislative Agenda*:

AAUW Anne Arundel County
AAUW Kensington-Rockville Branch
AAUW Maryland
AAUW Garrett Branch
American Association of University Women Howard County Branch
Baltimore County Commission for Women
Bound for Better, advocates for Domestic Violence and Sexual Abuse
Campaign for Eneshal Galloway at Large Candidacy
Carroll County Chapter NOW
Crabs On The Shore
Jack and Jill of America Western Maryland Chapter
Maryland Coalition Against Sexual Assault (MCASA)
Maryland Network Against Domestic Violence (MNADV)
Maryland NOW
Montgomery County Business and Professional Women
Montgomery County Commission for Women
Montgomery County Chapter, National Organization for Women
National Association of University Women, Prince George's County
NAUW
Postpartum Support International, Maryland
Prince George's County Alumnae Chapter of Delta Sigma Theta Sorority Inc.
Self-Reflections: Social-Emotional, Behavioral and Advocacy Services, LLC
Stella's Girls, Incorporated
SUB&S LLC
The Heart Nest
The Rest Of A Life (TROAL)
Top Ladies of Distinction, Incorporated, Patuxent River Chapter
Unrooted Culture
Women's Commission for Baltimore City
Women's Equity Center and Action Network
Women's Law Center of Maryland
Zonta Club of Annapolis

**As of 2/2/2026*

HB 1198 - MNADV - FAV.pdf

Uploaded by: Laure Ruth

Position: FAV



BILL NO: House Bill 1198
TITLE: Civil Actions - Coerced Debt - Debtor Protections
COMMITTEE: Judiciary
HEARING DATE: March 11, 2026
POSITION: FAVORABLE

The Maryland Network Against Domestic Violence (MNADV) is the state domestic violence coalition that works to lead diverse community partners toward the common purpose of reducing the occurrence and impact of intimate partner violence. **MNADV urges a favorable report on HB 1198.**

House Bill 1198 is a significant piece of legislation designed to protect survivors of domestic violence from "coerced debt" - a form of economic abuse where an abuser uses fraud or coercion to incur debt in a survivor's name.

Financial abuse is a pervasive tactic used by abusers to gain power and control in a relationship, often leaving victims trapped by economic necessity. It typically involves an abuser restricting a survivor's access to money, monitoring their spending, or preventing them from working or attending school. By sabotaging a partner's ability to be self-sufficient, an abuser creates a state of forced dependency where the survivor may feel unable to leave or provide for themselves and their children without the abuser's financial "support."

Coerced debt is a specific, damaging subset of this abuse that occurs 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 persists long after the physical relationship has ended.

HB 1198 defines "coerced debt" as "all or 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" within certain contexts, such as abuse as defined in Maryland's protection order statute Md. FL Code §4-501 et seq. (more on that below). This definition specifically addresses scenarios where an abuser uses a survivor's personal information or physical threats to create financial obligations, **effectively tying the survivor to a debt they did not truly authorize.**

For further information contact Laure Ruth ■ Public Policy Director ■ 301-852-3930 ■ lruth@mnadv.org

1997 Annapolis Exchange Parkway, Suite 300 ■ Annapolis, MD 21401
Tel: 301-429-3601 ■ E-mail: info@mnadv.org ■ Website: www.mnadv.org



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. Currently, survivors often face long-term financial instability because they are held legally responsible for loans, credit card balances, or utility bills opened by an abuser without their true consent. HB 1198 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, which is often a prerequisite for safely leaving an abusive relationship and securing housing or employment.**

Other advocates will be offering information about what other states have passed a version of this bill. Nationally, there has been an increase in recognition that financial safety and freedom is one of the main drivers of survivors being able to move forward in their lives. House Bil 1198 would be a step towards assisting survivors here in Maryland who are struggling with debt they did not incur willingly or knowingly.

For all of the above reasons, **MNADV strongly urges a favorable report for HB 1198.**

For further information contact Laure Ruth ■ Public Policy Director ■ 301-852-3930 ■ lruth@mnadv.org

1997 Annapolis Exchange Parkway, Suite 300 ■ Annapolis, MD 21401
Tel: 301-429-3601 ■ E-mail: info@mnadv.org ■ Website: www.mnadv.org

Written Testimony HB 1198 - Coerced Debt.docx.pdf

Uploaded by: Lesley Lopez

Position: FAV



THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

Testimony in SUPPORT of HB 1198: Civil Actions - Coerced Debt - Debtor Protections

Summary: HB 1198 establishes clear legal protections for Marylanders who are forced or manipulated into taking on debt against their will. The bill allows individuals to notify creditors that a debt was coerced, seek court relief to stop collection activity, and require the deletion of that debt from consumer credit reports when appropriate. By recognizing coerced debt as a legal harm and ensuring credit reporting corrections, HB 1198 provides survivors of abuse and exploitation with a pathway to restore financial stability. The protections of this bill will aid individuals saddled with coerced debt to rebuild credit, access housing, employment, and other essential opportunities.

Background: Coerced debt is increasingly recognized as a form of economic abuse. Common scenarios occur in which one person forces, manipulates, or deceives another into incurring debt for the abuser's benefit. This can occur through threats, intimidation, fraud, misuse of personal identifying information, or pressure to sign financial agreements without meaningful consent. Research and survivor testimony consistently demonstrate that this form of abuse is widespread and deeply damaging. According to [research compiled by the Center for Survivor Agency and Justice](#), coerced debt occurs when an abusive partner exploits or damages a survivor's credit in order to control them financially and limit their independence, and nearly half of survivors report experiencing coerced debt during abusive relationships.

The consequences of coerced debt extend far beyond the original financial transaction. Survivors often discover the existence of these debts only after collections begin or after their credit has been severely damaged. Studies show that [46 percent of survivors report their credit report or score was harmed by actions taken by an abusive partner](#), and many survivors carry debt burdens reaching tens of thousands of dollars as a result of coerced transactions.

Because credit reports influence access to housing, employment, utilities, insurance, and transportation, this financial harm can block survivors from rebuilding their lives. Researchers have also found that [financial abuse, including coerced debt, can contribute to prolonged dependence on abusers](#), preventing victims from leaving dangerous situations or achieving long-term stability.



THE MARYLAND HOUSE OF DELEGATES ANNAPOLIS, MARYLAND 21401

These harms are not limited to intimate partner violence. Coerced debt and identity-based financial exploitation appear in several contexts involving vulnerable populations, including youth in foster care and older adults experiencing financial exploitation. The systems that allow such debt to be created regularly treat these debts as legitimate, leaving victims with few legal remedies. As a result, coerced debt becomes a long-term structural barrier to economic security.

The Long-Term Impact of Coerced Debt in Vulnerable Communities

Domestic Violence and Economic Abuse

For survivors of domestic violence, coerced debt is one of the most common forms of economic abuse used to maintain power and control. Abusers may pressure survivors to open credit accounts, take out loans, sign leases, or incur debts that primarily benefit the abuser, this includes posting bond for instances of their own violence. In many cases, abusers also misuse personal identifying information to open accounts without the survivor's knowledge.

Importantly, survivors often struggle to remove these debts through traditional credit reporting dispute processes. Existing federal consumer protection laws were not designed to address the unique circumstances of coercion or abuse, meaning that survivors frequently encounter barriers when attempting to dispute debts or correct their credit histories. As experts have noted, too few victims are able to successfully remove coerced debt from their credit reports under current systems, leaving many with lasting financial harm even after the abuse has ended. For survivors trying to rebuild their lives after abuse, these debts represent more than financial obligations, they represent a continuation of the control exerted by the abuser.

Research indicates that [nearly all survivors experience some form of economic abuse](#), and about half report coerced debt, highlighting how widespread this problem is within abusive relationships. HB1198 provides relief to Marylanders who may need to overcome financial hardship through no fault of their own.

Foster Youth and Identity-Based Debt

Young people who grow up in foster care face another form of coerced or fraudulent debt: identity theft using their personal information. Because foster youth frequently move between placements and multiple adults may have access to their personal records, they face heightened risks of identity theft and financial exploitation.



THE MARYLAND HOUSE OF DELEGATES ANNAPOLIS, MARYLAND 21401

[Federal oversight authorities have warned](#) that the hundreds of thousands of children served by foster care each year are particularly vulnerable to identity theft because their personally identifiable information may be accessible to many individuals involved in their care. [Federal law therefore requires annual credit checks](#) for youth in foster care starting at age fourteen, specifically because identity theft in these circumstances can remain hidden until the young person reaches adulthood and attempts to access credit for housing, employment, or education. However, oversight reviews have found that many foster youth do not actually receive these required credit checks, leaving fraudulent accounts undetected until much later.

When these young people age out of care and attempt to establish independent lives, they may discover that their credit histories already contain debts created without their knowledge or consent. Without a clear legal mechanism to invalidate these debts and correct credit reporting records, these young adults begin adulthood burdened with financial harm they never chose.

Financial Exploitation of Older Adults

Financial exploitation of older adults represents another context in which coerced debt arises. Seniors are frequently targeted by individuals who misuse trust, authority, or caregiving relationships to manipulate financial decisions. This exploitation can include pressure to take out loans, co-sign financial agreements, or allow credit accounts to be opened in their name for someone else's benefit. In other cases, perpetrators may misuse personal identifying information to incur debts without the older adult's knowledge or consent.

Federal authorities have recognized financial exploitation of seniors as one of the fastest-growing forms of elder abuse. [The Consumer Financial Protection Bureau reports](#) that older adults lose billions of dollars each year to financial exploitation, often involving trusted individuals such as family members or caregivers, as described in the agency's analysis of elder financial abuse.

Research also shows that older adults are particularly vulnerable to financial abuse because they may rely on others for assistance with finances or healthcare decisions. [The National Council on Aging estimates that financial abuse affects roughly one in ten older Americans](#), and that many cases go unreported because victims fear retaliation or loss of independence.

In many cases, this exploitation involves the creation of debts that the older adult never intended to incur. These debts may remain attached to the victim's credit record even after the exploitation is discovered. [The Consumer Financial Protection Bureau has documented](#) how abusers can open



THE MARYLAND HOUSE OF DELEGATES ANNAPOLIS, MARYLAND 21401

credit accounts, misuse financial authority, or pressure victims into financial agreements, leaving lasting damage to credit histories and financial stability.

For seniors living on fixed incomes, such debts can destabilize housing security, limit access to necessary financial services, and create long-term financial hardship. Without legal mechanisms to invalidate these debts and correct credit reporting records, victims may spend years attempting to repair damage caused by someone else's exploitation.

Bill Explanation: House Bill 1198 directly addresses these systemic gaps by creating a legal process to recognize and remedy coerced debt. Under the bill, a debtor may notify a creditor that a debt was incurred through coercion and request that collection activity cease. The bill defines coerced debt as debt incurred through fraud, intimidation, manipulation, threats, or misuse of personal identifying information within contexts including domestic abuse, exploitation of children in out-of-home placements, financial exploitation of vulnerable adults, harassment, and human trafficking.

If a creditor continues collection activity after receiving notice, the debtor may bring a civil action seeking relief. The legislation also establishes coerced debt as an affirmative defense in debt collection cases, ensuring that victims have a meaningful opportunity to present evidence of abuse or exploitation in court.

Courts would be authorized to provide equitable relief once coerced debt is established. Such relief can include halting collection efforts, dismissing related legal actions, and ordering corrective measures to address the financial harm caused by the debt. Importantly, the bill also ensures that rights created under this law cannot be waived through private agreements, reflecting the Legislature's recognition that victims of coercion should not be forced to sign away their protections.

By creating a clear statutory framework, HB 1198 allows courts to recognize coercion in financial transactions and ensures that victims have practical tools to stop ongoing financial harm.

Conclusion: House Bill 1198 addresses a significant and often hidden form of financial abuse that affects survivors of domestic violence, youth transitioning out of foster care, and older adults facing financial exploitation. Coerced debt traps victims in long-term financial harm, often



THE MARYLAND HOUSE OF DELEGATES ANNAPOLIS, MARYLAND 21401

preventing them from accessing housing, employment, and other basic necessities needed to rebuild their lives.

By establishing a clear legal framework to identify coerced debt, stop collection activity, and correct credit reporting records, this bill provides meaningful relief to individuals who were never truly responsible for the debts attributed to them. It recognizes that financial abuse is real, that its consequences can last for years, and that victims deserve practical tools to restore their economic security.

HB 1198 ensures that Maryland law reflects a simple principle: no one should be forced to carry the financial burden of abuse or exploitation.

References:

Coerced Debt and Economic Abuse

1. Center for Survivor Agency and Justice. *Coerced Debt Dashboard*.
<https://csaj.org/coerced-debt-dashboard/>
2. Center for Survivor Agency and Justice. *Consumer Rights Newsletter on Coerced Debt*.
<https://csaj.org/consumer-rights-newsletter-on-coerced-debt-2/>
3. National Consumer Law Center. *Coerced Debt Complicates Domestic Violence Recovery*.
<https://www.nclc.org/coerced-debt-complicates-domestic-violence-recovery/>

Domestic Violence and Financial Abuse

4. Consumer Financial Protection Bureau. *CFPB Kicks Off Rulemaking to Help Mitigate the Financial Consequences of Domestic Violence and Elder Abuse*.
<https://www.consumerfinance.gov/about-us/newsroom/cfpb-kicks-off-rulemaking-to-help-mitigate-the-financial-consequences-of-domestic-violence-and-elder-abuse/>

Foster Youth and Identity Theft

5. U.S. Department of Health and Human Services – Office of Inspector General. *Most Children in Foster Care Did Not Receive Credit Checks and Assistance Required to*



THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

Address Potential Identity Theft.

<https://oig.hhs.gov/reports/all/2024/most-children-in-foster-care-did-not-receive-credit-checks-and-assistance/>

6. Federal Trade Commission. *How to Help Protect Foster Youth from Identity Theft.*
<https://consumer.ftc.gov/consumer-alerts/2025/09/how-help-protect-foster-youth-identity-theft>

Elder Financial Exploitation

7. Consumer Financial Protection Bureau. *Suspicious Activity Reports on Elder Financial Exploitation.*
<https://www.consumerfinance.gov/data-research/research-reports/suspicious-activity-reports-elder-financial-exploitation/>
8. Consumer Financial Protection Bureau. *Elder Financial Exploitation: What You Need to Know.*
<https://www.consumerfinance.gov/about-us/blog/elder-financial-exploitation-what-you-need-to-know/>
9. National Council on Aging. *Get the Facts on Elder Abuse.*
<https://www.ncoa.org/article/get-the-facts-on-elder-abuse>

Debt - coerced - testimony -2026 - HB1198 FAV.pdf

Uploaded by: Lisae C Jordan

Position: FAV



Working to end sexual violence in Maryland

P.O. Box 8782
Silver Spring, MD 20907
Phone: 301-565-2277
mcasa.org

For more information contact:
Lisae C. Jordan, Esquire
443-995-5544

Testimony Supporting House Bill 1198
Lisae C. Jordan, Executive Director & Counsel
March 11, 2026

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**

HB1198 Coerced Debt-Protections- House JUD EconAct

Uploaded by: Marceline White

Position: FAV



**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

Economic Action Maryland Fund is a 501(c)(3) nonprofit organization and your contributions are tax deductible to the extent allowed by law.



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

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

Economic Action Maryland Fund is a 501(c)(3) nonprofit organization and your contributions are tax deductible to the extent allowed by law.

1198 handout

Uploaded by: Michele Gilman

Position: FAV

HB 1198

Protection from Coerced Debt for Victims of Domestic Violence

SPONSORED BY:

Delegates Lopez, Charkoudian, Embry, and Shetty

WHAT IS COERCED DEBT?

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.

WHO IS IMPACTED?

Coerced debt most often affects survivors of intimate partner violence or trafficking.

WHAT IS THE HARM?

Individuals with coerced debt face long term financial harm from the debts they did not voluntarily assume. With damage to their credit, survivors can struggle to find new housing, obtain utility or smartphone services, or take other steps toward independence.

WHY WE NEED HB 1198

- ◆ Provides defenses to debt collection actions for survivor-debtors
- ◆ Grants survivor-debtors pathways to repair damaged credit
- ◆ Allows survivor-debtors to recover damages from their abusers
- ◆ Retains creditors' rights to recover from the abuser

Other States With Coerced Debt Legislation

Maryland would join seven states: CA, CT, IL, ME, MN, NY and TX, that have passed laws addressing coerced debt thus acknowledging the importance of financial autonomy for survivors of economic abuse

HB1198 CAF Written Testimony.pdf

Uploaded by: Michele Gilman

Position: FAV

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

Lily Constine, Third-Year Law Student

Shayne Lowman, Third-Year Law Student

Michele Gilman, Venable Professor of Law and Co-Director, Center on Applied Feminism, University of Baltimore School of Law; mgilman@ubalt.edu; 410-837-5656

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. 	Civilly 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	Civilly 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.				
--	--	--	--	--	--	--

Prepared by the Center on Applied Feminism, University of Baltimore School of Law

HB1198 OAG CPD Written Testimony - Support.pdf

Uploaded by: Nora Nichols

Position: FAV

CAROLYN A. QUATTROCKI
Chief Deputy Attorney General

LEONARD J. HOWIE III
Deputy Attorney General

CARRIE J. WILLIAMS
Deputy Attorney General

SHARON S. MERRIWEATHER
Deputy Attorney General

ZENITA WICKHAM HURLEY
Deputy Attorney General



STATE OF MARYLAND
OFFICE OF THE ATTORNEY GENERAL
CONSUMER PROTECTION DIVISION

ANTHONY G. BROWN
Attorney General

WILLIAM D. GRUHN
Division Chief

STEVEN M. SAKAMOTO-WENGEL
Deputy Division Chief

PETER V. BERNS
General Counsel

CHRISTIAN E. BARRERA
Chief of Staff

WILSON MEEKS
Assistant Attorney General

March 11, 2026

To: The Honorable Kriselda Valderrama
Chair, House Economic Matters Committee

From: Wilson Meeks
Nora Nichols
Consumer Protection Division
Office of the Attorney General

Re: House Bill 1198 – Civil Actions – Coerced Debt – Debtor Protections (SUPPORT)

The Consumer Protection Division (“Division”) of the Office of the Attorney General supports House Bill 1198, sponsored by Delegates Lesley J. Lopez, Lorig Charkoudian, Elizabeth Embry, and Emily Shetty. House Bill 1198 aims to protect victims of "coerced debt," which includes individuals who experience abuse, exploitation, trafficking, and harassment. House Bill 1198 creates a path for debtors to seek equitable relief against debt collectors when the debt is coerced. House Bill 1198 aims to address a real problem and in a meaningful way by empowering individuals as private litigants to seek equitable relief in the Maryland courts.

House Bill 1198 outlines the actions that a debtor must take if they allege the debt is coerced and includes requirements for creditors once a debt is alleged to be coerced. The bill includes clear definitions and notice requirements for both creditors and debtors. House Bill 1198 outlines the relief that a debtor alleging a coerced debt may seek, which includes: 1) a declaratory judgment that a debt is coerced, 2) an injunction prohibiting the creditor from certain actions such as holding a debtor liable for a coerced debt, enforcing a judgment related to the coerced debt, or reporting the coerced debt to a consumer reporting agency, 3) an order dismissing with prejudice any cause of action brought by a creditor to enforce or collect the coerced debt from the debtor, and 4) an order requiring a creditor to report to a consumer reporting agency the deletion of the coerced debt. House Bill 1198 also includes that a creditor can pursue an action against an individual alleged to have caused the coerced debt. If successful in proving the debt was coerced via a declaratory judgment, House Bill 1198 provides that a debtor can seek damages for payments made or costs related to the coerced debt, attorney’s fees, and court costs. House Bill 1198

establishes that a coerced debt is an affirmative defense in an action to satisfy a debt and that any agreement to waive or modify rights under the subtitle is void. Importantly, House Bill 1198 considers the complexities of abusive relationships and circumstances by its definition of "qualified third-party" – including numerous individuals to whom a coerced debtor may report the coerced debt, and, in turn, who is permitted to author the required sworn statement.

The Division supports House Bill 1198 in its efforts to better protect Maryland consumers who are subjected to often debilitating coerced debt and mitigate the harms from coerced debt. Accordingly, for the reasons set forth, the Consumer Protection Division supports House Bill 1198 and requests a favorable report.

cc. The Honorable Lesley J. Lopez
The Honorable Lorig Charkoudian
The Honorable Elizabeth Embry
The Honorable Emily Shetty
Members, House Economic Matters Committee

HOUSE BILL 1198 SUPPORT LETTER.pdf

Uploaded by: Phillip Robinson

Position: FAV

CONSUMER LAW CENTER LLC

Phillip Robinson*

* Admitted in MD

A Consumer Rights Law Firm
1220 Blair Mill Road, Suite 1105
Silver Spring, MD 20910

Phone (301) 448-1304
www.marylandconsumer.com

March 9, 2026

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

Re.: **HOUSE BILL 1198 SUPPORT LETTER**

On behalf of your constituents, whom I have represented throughout the State of Maryland, **I support House Bill 1198**, which is designed to protect survivors without adequate legal remedies under existing law when harmed by debt created through fraud, coercion, or manipulation.

For example, under the Fair Credit Reporting Act (“FCRA”), victims of coerced debt have, in theory, a process avenue to dispute certain debts pursuant to its structure with the credit reporting agencies. However, recent case law holds that victims may not generally use the FCRA to assert claims that amount to legal issues about a debt and its enforceability against a borrower. Instead, victims in these circumstances must pursue other remedies—**just like those proposed in House Bill 1198**—before seeking relief under the FCRA related to credit reporting. So, what results from this conundrum and evolving case law, as confirmed in a federally funded study of Texas women, existing debtor-creditor law works in fewer than 10% of cases involving coerced debt. *See Exhibit 1.* So greater, statutory rights—like those proposed in HB 1198—are necessary to protect victims and allow them to get a fresh start.

- **No victim should have to resort to bankruptcy to avoid a debt they were coerced into taking, as narrowly described by HB 1198, as bankruptcy would trap them into the dangerous relationship.** A bankruptcy would also only add more penalties and negative consequences for ten or more years and remove coerced debt restores survivors’ access to credit, employment, and housing—critical steps toward long-term safety and self-sufficiency.

- **Coerced debt is a documented form of domestic and economic abuse.** Financial service companies should not be able to further abuse victims when they use unsafe and unsound practices to advance credit that should not have been advanced in the first instance. **Under HB 1198, creditors retain the ability to pursue the person who actually incurred the debt,** ensuring legitimate debts can still be collected from the responsible party and NOT the victim.
- **HB 1198 creates a clear, fair process for survivors to challenge coerced debt.** The bill allows survivors to seek a **court declaration that a debt was coerced,** obtain **injunctive relief stopping collection,** and require removal of coerced debt from credit reports.
- **If Texas can protect victims of coerced debts without its financial market collapsing, Maryland can do the same by passing HB 1198.**

I urge you to protect victims of coerced debt and please **VOTE FAVORABLY ON HB 1198.**

Respectfully,



Phillip Robinson

Published November 13, 2025 By: [Jeremy Simon](#)

Shining a Light on Coerced Debt

Rachel Smith escaped an abusive marriage, but the damage to her finances remained.

She'd left the relationship but was still burdened by \$80,000 in debt, after her husband ran up sales tax for his business—but listed it in his wife's name. He'd also opened credit cards in her parents' names and charged \$250,000 to those accounts. Then, after Smith fled their shared home, he put all the household utilities in her name, adding hundreds more dollars to her financial troubles.



Smith's case is sadly not unique, says Texas Law [Professor Angie Littwin](#). “Coerced debt occurs in a relationship characterized by domestic violence—also known as intimate partner violence—when the abusive partner incurs debt in the survivor's name using fraud, coercion, or manipulation,” Littwin explains. An abuser may fraudulently open credit cards in their partner's name or force them—through explicit or implicit threat—to take out loans.

Littwin is the recognized expert on this type of financial abuse, which she first named “coerced debt” in a [2012 paper](#).

The current legal options frequently fail survivors, especially when they were pressured to take on the debts. “Generally, it’s not that survivors lose in court; it’s that there are few remedies for coerced debt generated by coercive transactions,” she says. “There’s often no law to even bring a case under.”



Professor Angie Littwin

For coerced debt survivors nationwide, the [Fair Credit Reporting Act](#) only enables identity theft victims to erase fraudulent debts from their credit report. “Debt via fraud is a form of identity theft,” Littwin explains, but debt via duress or manipulation is not. (Littwin also recommends [freezing credit](#) —provided it can be done safely—so new debt cannot be incurred by an abuser.)

“There are no great remedies for coerced debt at the federal level,” she says.

Meanwhile, “survivors with fraudulent debt can even have problems being believed because decision makers like police can be skeptical when the perpetrator is an intimate partner,” Littwin says.

Her work on the topic isn't purely academic. Littwin's research has helped produce laws to support and protect survivors of coerced debt.

Widespread, but Often Unseen

Domestic violence survivors and professionals working in the field report how widespread coerced debt is. In 2014, Littwin and Professor Adrienne Adams of Michigan State University surveyed callers to the National Domestic Violence Hotline: more than half reported suffering coerced debt.

Yet, it's a societal problem that Littwin says remains too-often hidden.

When Littwin presents to groups unfamiliar with domestic or intimate partner violence, she's often faced with questions: "How could somebody end up with this much debt in their name without their knowledge or consent? Why not leave a relationship when the alternative is financial ruin?" And then I start into talking about coercive control," Littwin says.

“

Angie has shown that many women have debt for which no just legal system would hold them accountable. She has shined a light on something that was there all along, but we would not see.

— Robert Lawless

Coercive control was explored in depth by Evan Stark, who wrote the definitive book on the concept. It shares elements with crimes like kidnapping, hostage-taking, and brainwashing. The abusive partner essentially seeks “to undermine the other partner’s free will by controlling every aspect of their life,” Littwin says, possibly preventing their victim from working—or taking their earnings if they do work—as well as from driving, connecting with friends and family, or making their own choices about how to dress, cook, or raise their children. “Coerced debt can play an important role, because it can prevent the victim or survivor from having alternatives to leaving the relationship,” Littwin says.



Robert Lawless, Max L. Rowe
Professor of Law at the University of
Illinois Urbana-Champaign

“Once survivors find out about the debt, their credit score may be wrecked,” she explains. Today, beyond securing loans, credit scores are used in applications for employment, housing, and basic utility services. “In other words, exactly what someone needs if they would like to leave a relationship and start over on their own,” Littwin adds. “So, damaged credit scores can really be a barrier to somebody leaving an abusive relationship.”

Fellow academics emphasize the importance of Littwin’s scholarship. “Angie has shown that many women have debt for which no just legal system would hold them accountable. She has shined a light on something that was there all along, but we would not see,” says Robert Lawless, the Max L. Rowe Professor of Law at the University of Illinois Urbana-Champaign and a nationally recognized expert in bankruptcy law, consumer finance, and empirical legal studies. “The work already has become part of the conversation about how to help financially struggling households,” he says.

Scholarship Origins

Littwin earned her undergraduate degree from Brown University and juris doctor from Harvard Law School. After law school, she clerked for the Honorable Rosemary Barkett of the U.S. Court of Appeals for the 11th Circuit and founded Reaching Out About Depression, a community-organizing project for low-income women. She was a lecturer at Harvard Law School before joining the Texas Law faculty in 2008.

The year prior, as part of the 2007 Consumer Bankruptcy Project—an ongoing research project studying people who file for bankruptcy—Littwin proposed that the team interview cohabitating women about domestic violence. They found that a higher percentage of women who filed for bankruptcy had also suffered domestic abuse compared to the general population.

That prompted Littwin’s conversations with domestic violence counselors and advocates. Why might female bankruptcy filers have a higher rate of domestic violence than other women? she asked the professionals. Their answer: the “rampant” coerced debt they’d seen in their practices. “And that’s how I realized there was something going on that needed to be studied and understood,” Littwin says.

Littwin took what those DV professionals told her, combined with Starks’ writing on coercive control, and translated it for a legal audience. “This debt is incurred in the context of coercive control, so I called it ‘coerced debt,’” she says.

Coerced Debt Publications

Fast forward to today, and Littwin has authored or co-authored numerous significant publications on coerced debt. Recently, with colleagues she completed a major study funded by the [National Science Foundation](#). The researchers examined coerced debt among Texas women divorcing abusive men. Theirs was the first-ever large federally funded study of coerced debt. The findings? Among the study participants, credit cards made up nearly half of all accounts with coerced debt, and women with coerced debt had lower estimated credit scores compared to women without coerced debt. The study also found divorce to be an ineffective legal remedy for coerced debt, and legal rights under debtor-creditor law were deemed effective for less than 10% of coerced debts.

Littwin's latest article looks at the Supreme Court's 2023 decision in [Bartenwerfer v. Buckley](#), which said a woman could still be held responsible for a debt created through the fraud perpetrated by her husband and business partner—even though she wasn't involved in it. That ruling is troubling for survivors of coerced debt, because it suggests they might be stuck with fraudulent debts forced on them by abusive partners. Littwin argues the decision doesn't require courts to treat survivors this way, and she makes the case that they should still be allowed to clear coerced debts through bankruptcy. Using findings from the NSF study, she shows how denying this relief punishes victims instead of protecting them.

Legal Protections

Legal changes remain necessary. Among its findings, the NSF study shows that for approximately 100 women with coerced debt active at the time of their divorce, only one of their ex-husbands was ordered to pay off the coerced debt he created.

Smith found herself in a similar place. She was unable to erase her husband's sales tax owed to the state government. While the U.S. government has a program to help

innocent spouses erase coerced tax debt, state governments don't. Meanwhile, Smith's parents filed for bankruptcy to delete their credit card debt, but bankruptcy rarely helps with unpaid taxes. And to close the cable account put in her name by her husband, Smith had to return the service provider's equipment or pay the provider \$700. But she didn't have the money. That forced Smith to take a risky step: she snuck into her old house to grab the equipment so she could return it to the provider.



Carla Sanchez-Adams '09, senior attorney with the National Consumer Law Center

Such examples aren't unusual to professionals. "When I worked in legal aid, I knew the law was not helping our clients. It needed to be changed," says Carla Sanchez-Adams '09, who discovered Littwin's work on coerced debt while working as a managing attorney with Texas RioGrande Legal Aid following her graduation from Texas Law. Sanchez-Adams began collaborating with Littwin around 2013, and Littwin later joined the [Texas Coalition on Coerced Debt](#) which Sanchez-Adams had established. TCCD is made up of Texas-based attorneys, advocates, policymakers, financial professionals, and law enforcement who are interested in promoting identity theft protections for survivors of family violence. Sanchez-Adams is now a senior attorney with the National Consumer Law Center, where she focuses on emerging issues in banking and payment systems, including debt collection and credit reporting issues impacting survivors of gender-based violence.

But legal changes are underway. In Texas, Littwin’s work has prompted laws to be enacted, expanding the definition of identity theft to include coerced debt. On June 20, 2025, Gov. Greg Abbott signed [Texas House Bill 4238](#) to protect survivors of coerced debt, as well as other forms of identity theft, from collections on most debts. Littwin had testified about the proposed law three times. “I was very happy that the bill was signed,” she says. “With the new law, if somebody has a court order stating that her coerced debts were created via identity theft, creditors must stop collections on those debts.” While there are some exclusions, “the law is, nevertheless, very important,” Littwin says. “The Texas Coalition on Coerced Debt had been trying for a few sessions to get a law passed, so this law is a tremendous step forward.”

“

Angie’s work has not only made a difference in Texas, but grown a movement across the country.

— Ann Baddour

Smith could have benefitted from the new laws, since her husband created most of her debts through coercive transactions rather than fraud, which “already had remedies in the form of protections from identity theft,” says Littwin. “Providing a remedy for debt created by coercive transactions is where the new laws, such as the Texas law, make a major difference.”



Ann Baddour, director of Texas Appleseed's Fair Financial Services Project

Meanwhile, Littwin continues to provide expert support to TCCD, and she's consulting on a pro bono pilot where lawyers help coerced debt survivors obtain orders declaring they've been the victims of identity theft. Whenever she's called on for expertise, Littwin makes herself available, says Ann Baddour, Texas Appleseed's state director of projects aimed at bringing low-income and immigrant consumers into the financial mainstream.

"Angie's work has not only made a difference in Texas, but grown a movement across the country," says Baddour, with multiple national organizations now working on issues of coerced debt.

"When we're successful, we can help some people in the most vulnerable circumstances find and access pathways to financial survival and relief," Baddour says. "To have someone like Angie, who's in it for the long haul and whose commitment is from not just the mind, but also from the heart, it means the world."

[This story is an expanded version of a shorter news item](#) that appeared in the fall 2025 issue of Texas Law Magazine.

Category: [Faculty Scholarship](#) Tags: [Angela K. Littwin](#)

[< Honoring Our Student Veterans](#)

[👉 Student Spotlight: Shellie Parker '27 >](#)

HB 1198 - Civil Actions - Coerced Debt - Debtor Pr

Uploaded by: Sara Westrick

Position: FAV



One Park Place | Suite 475 | Annapolis, MD 21401-3475
1-866-542-8163 | Fax: 410-837-0269
aarp.org/md | md@aarp.org | twitter: @aarpm
facebook.com/aarpm

HB 1198 – Civil Actions – Coerced Debt – Debtor Protections
House Judiciary Committee
March 11, 2026
FAVORABLE

Good afternoon, Chair Bartlett, Vice Chair Davis, and members of the House Judiciary Committee. Thank you for the opportunity to testify in support of HB 1198, a bill that establishes critical protections for Marylanders who have debts incurred through coercion, manipulation, and abuse. We thank Delegates Lopez, Charkoudian, Embry, and Shetty for sponsoring this legislation.

I am Sara Westrick, Advocacy Director for AARP Maryland. AARP is a nonpartisan, nonprofit, nationwide organization, representing approximately 850,000 members in Maryland. We help people turn their goals and dreams into real possibilities, strengthen communities, and fight for the issues that matter most to families, such as health care, employment and income security, retirement planning, affordable utilities, and protection from financial abuse.

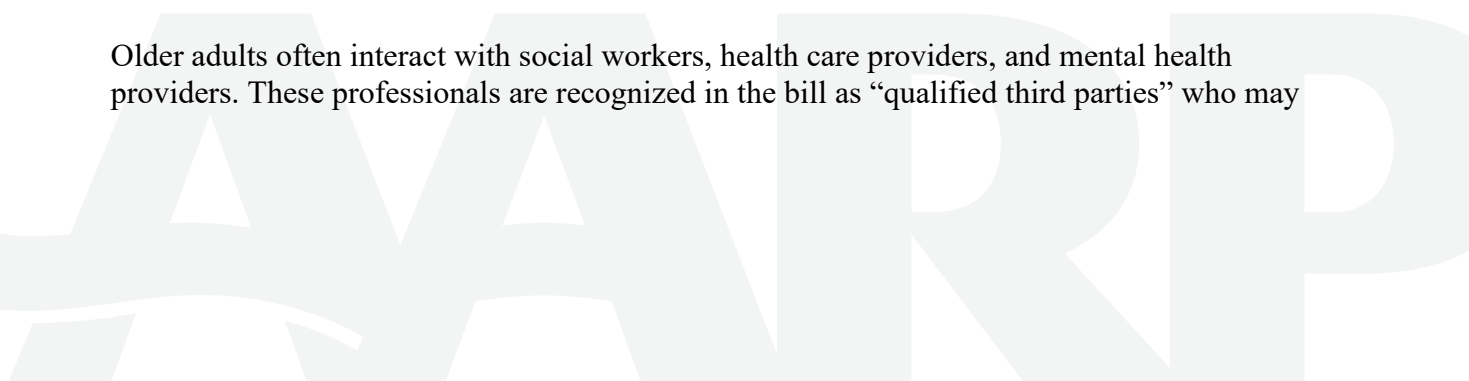
How HB 1198 Protects Maryland’s Older Adults

HB 1198 fills a gap in current law by recognizing coerced debt as a distinct and harmful form of financial abuse and by creating a process for victims to challenge and remove these illegitimate debts. Coerced debt occurs when an abuser forces or manipulates someone into taking on debt in their name. This can include opening credit cards, taking out loans, signing phone or utility contracts, or accumulating medical debt without the person’s true consent.

HB 1198 creates a structured, victim-centered process that allows survivors to notify creditors that a debt was coerced, pause collection activities while the matter is reviewed, seek relief in court, and pursue damages against the person who actually caused the debt.

Financial exploitation of older adults is one of the fastest-growing forms of abuse, and Maryland’s aging population makes this bill especially urgent. HB 1198 will significantly help elderly residents by addressing abuse by those who wish to do them harm. Many older Marylanders experience exploitation by adult children, relatives, or caretakers who misuse their personal information or pressure them into taking on debt. HB 1198 gives elders a mechanism to halt collection efforts, demonstrate that the debt was coerced, and restore their credit and financial independence.

Older adults often interact with social workers, health care providers, and mental health providers. These professionals are recognized in the bill as “qualified third parties” who may



provide the sworn documentation needed to substantiate a coerced debt claim. This makes the process more accessible for seniors who may not feel safe or able to file police reports.

If identifying the person responsible for the coerced debt would endanger the older adult, the court must take protective steps such as shielding information or holding remote hearings. This is essential for seniors who may be dependent on or living with their abuser.

Conclusion

HB 1198 offers relief for victims of coercion, exploitation, and abuse, especially older adults who are disproportionately targeted and often lack the tools to challenge fraudulent debt under current law. The bill also includes reasonable safeguards, such as creditor review of documentation, the ability to challenge claims made in bad faith, and the requirement that debtors meet a burden of proof.

By passing this bill, Maryland will join a growing number of states ensuring that survivors are not punished for debts they never chose and never benefited from.

For these reasons, AARP Maryland respectfully urges a favorable report on HB 1198.

If you have any questions, please contact Sara Westrick at swestrick@aarpp.org or by calling 410-310-0374.

HB 1198.pdf

Uploaded by: William Steinwedel

Position: FAV



**House Bill 1198 – Civil Actions – Coerced Debt – Debtor Protections
Hearing on March 11, 2026 – Judiciary Committee
Position: FAVORABLE**

Maryland Legal Aid (MLA) submits its written and oral testimony on HB 1198 in response to a request from Delegate Lesley Lopez.

Maryland Legal Aid appreciates the opportunity to testify in support of HB 1198, which creates a legal framework to address and remedy a pervasive yet often ignored form of financial abuse: coerced debt. As the state’s largest provider of free representation to low-income Marylanders in a variety of civil legal matters, Maryland Legal Aid helps countless survivors of abuse seek safety and justice, including victims of domestic violence in family law matters and protective order cases, as well as abused or neglected children in Child in Need of Assistance (CINA) and Guardianship cases. Our advocates have seen how unintended and unforeseen debt can thwart a survivor’s attempt to achieve financial stability, safety, and independence from their abuser or derail a foster youth’s path to independence. Because HB 1198 protects foster youth and attempts to relieve survivors of domestic abuse of some the consequences of their abusers’ financial coercion, Maryland Legal Aid testifies in strong support of HB 1198.

Coerced debt is a common and devastating form of economic abuse, which is a frequent component of domestic violence relationships. Many of the survivors we assist have shared stories about their abusers fraudulently opening credit cards in their names, racking up mountains of debt without their knowledge, or forcing them to sign up for loans under threat of violence. But even after a person gathers the strength and courage to leave their abuser, the damaging effects of that relationship frequently persist, particularly if there has been this type of financial abuse. Survivors of abuse too often continue to endure the financial harms caused by their abuser, fighting off persistent calls from collections agencies, defending against debt collection lawsuits in court, and even making deals to pay off the balance of debt they incurred through no fault of their own. The consequences are severe: damaged credit histories, repeated court involvement, wage garnishments, unbearable amounts of debt, and barriers to safe housing and employment. Contrary to popular belief, obtaining a divorce is not a remedy for coerced debt because, unlike some other states, Maryland does not authorize courts to allocate and assign responsibility to payment of marital debt in divorce matters.

Against this backdrop of a problem with no current solutions, HB 1198 attempts to forge a path for our consumer legal system to acknowledge and address the burdens created by coerced debt. HB 1198 establishes a clear and workable framework for survivors and other coerced-debt victims to seek relief:

- **Flexible documentation options.** The bill appropriately recognizes that survivors often cannot safely obtain police reports. It allows multiple forms of “adequate documentation,”

including an FTC identity theft report and a sworn certification from qualified third parties such as licensed health providers, social workers, and domestic violence program staff.

- **Required creditor response and dispute reporting.** Upon receiving notice, creditors must confirm receipt, identify missing documentation if any, and notify consumer reporting agencies that the debt is disputed.
- **Meaningful relief when a creditor ceases collection.** If a creditor decides to cease collection activity, the creditor must stop collection (including wage garnishment), report deletion to credit reporting agencies, and move to dismiss any collection action in court.
- **Access to court relief.** HB 1198 authorizes a debtor to seek equitable relief, including declaratory judgments, injunctions, dismissal with prejudice of collection actions, and orders requiring deletion of the coerced debt from credit reporting agencies.
- **Safety protections in court.** The bill includes important safeguards allowing survivors to avoid disclosing identifying information about the person who caused the coerced debt when disclosure is likely to result in harm, and it directs courts to take appropriate protective steps.

HB 1198 creates a procedure by which creditors could be notified that debts are a result of abusive behavior and creates a procedure to make sure that the victims of abuse are not held responsible for the financial consequences of the abuse. By creating a structured notice process and clear court remedies, HB 1198 reduces the burden on courts, prevents unnecessary default judgments and garnishments, and promotes faster resolution of disputes.

In addition to supporting survivors of domestic violence, HB 1198 provides critical protections for foster youth, who are uniquely vulnerable to coerced or fraudulent debt. Youth in foster care experience pervasive exposure of personally identifiable information and higher risks of identity theft and coerced credit uses, which can surface only when they apply for housing, employment, student aid, or utilities after aging out. HB 1198's flexible documentation options and its requirements for creditor responses, cessation of collection, credit-report deletion, and access to court-ordered relief directly address the financial harms that can derail a foster youth's path to independence.

HB 1198 strengthens efforts to protect Maryland consumers from the consequences of coerced debt resulting from abusive relationships. MLA strongly supports HB 1198. If you need additional information in regard to this bill, please contact William Steinwedel at wsteinwedel@mdlaboratory.org and (410) 951-7643 or Ameer Vora at avora@mdlaboratory.org and (410) 951-7737.

HB1198 - MBA - FWA - GR26.pdf

Uploaded by: Evan Richards

Position: FWA



HB 1198 – Civil Actions – Coerced Debt – Debtor Protections

Committee: House Judiciary Committee

Date: March 11, 2026

Position: Favorable with Amendments

The Maryland Bankers Association (MBA) **SUPPORTS HB 1198 WITH AMENDMENTS**. This legislation provides certain protections to Marylanders who have debts taken out in their name through coercion, abuse, fraud, intimidation, trafficking, or similar circumstances. MBA supports providing this debtor relief, but believes amendments are needed to ease the burden on financial institutions and harmonize compliance with existing federal law.

MBA has the following concerns with HB 1198 as introduced:

1. The definition of “adequate documentation” is unclear. This term should only refer to the documents listed on Page 2, Lines 4-11.
2. 3-2701(C)(IV) should be stricken. Harassment is not defined in § 3–803 of the Criminal Law Article, and if left undefined, is an extremely vague term that can be hard to prove.
3. The exemption of “coerced debt” on Page 3, Lines 1-2 should include all secured debt and not just debt secured by real property. Expanding the exemption to cover all secured debt reduces legal and financial risk. Most states that have adopted coerced debt statutes have either provided an exemption for all secured debt or include secured auto debt.
4. The definition of “qualified third party” should be revisited to ensure all listed health care categories have adequate training to detect signs of coerced debt and require that such health care persons have a patient/provider relationship with personal familiarity of the patient’s medical history.
5. 3-2702(A)(3) should either be stricken or clarified. It is unclear what “on request via any publicly available method of communication” means. MBA would support an amendment that requires a creditor to provide instructions on how to properly submit a coerced debt claim upon customer request.
6. 3-2702(B)(1) should be stricken. This is an additional compliance burden and is unnecessary in light of the collection action response that will be provided under 3-2702(B)(2), and goes well beyond the typical response requirements required under other similar coerced debt protections enacted by other states.

7. 3-2702(B)(2) should be stricken or adjusted. This provides an inadequate timeline for creditors to respond, which in turn increases legal risks and jeopardizes compliance. Financial institutions need at least 60 days from receipt of proper notice to provide a response including the information required by this section.
8. 3-2703(A)(4) should be stricken as credit reporting obligations are already sufficiently covered under existing federal law.

If the following issues are addressed, MBA believes that creditors will be able to assist victims with clearing coerced debt. Accordingly, MBA urges issuance of a **FAVORABLE** report **WITH AMENDMENTS** on HB 1198.

The Maryland Bankers Association (MBA) represents FDIC-insured community, regional, and national banks, employing thousands of Marylanders and holding \$194.8 billion in deposits in over 1,100 branches across our State. The Maryland banking industry serves customers across the State and provides an array of financial services including residential mortgage lending, business banking, estates and trust services, consumer banking, and more.

MD HB 1198 REDLINES 3.2.pdf

Uploaded by: Diana Macon

Position: UNF

HOUSE BILL 1198

D3, D4

6lr1256

By: **Delegates Lopez, Charkoudian, Embry, and Shetty**

Introduced and read first time: February 11, 2026

Assigned to: Judiciary

A BILL ENTITLED

1 AN ACT concerning

2 **Civil Actions – Coerced Debt – Debtor Protections**

3 FOR the purpose of providing that a debtor may provide certain notice to a creditor and
4 request that the creditor cease debt collection activity relating to a coerced debt;
5 authorizing a debtor, after providing a creditor with certain notice, to bring an action
6 against the creditor seeking certain relief; authorizing a debtor to bring a certain
7 action against a certain individual; establishing a certain affirmative defense; and
8 generally relating to coerced debt.

9 BY adding to

10 Article – Courts and Judicial Proceedings
11 Section 3–2701 through 3–2707 to be under the new subtitle “Subtitle 27. Coerced
12 Debt – Debtor Protections”
13 Annotated Code of Maryland
14 (2020 Replacement Volume and 2025 Supplement)

15 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
16 That the Laws of Maryland read as follows:

17 **Article – Courts and Judicial Proceedings**

18 **SUBTITLE 27. COERCED DEBT – DEBTOR PROTECTIONS.**

19 **3–2701.**

20 **(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS**
21 **INDICATED.**

22 **(B) (1) “ADEQUATE DOCUMENTATION” MEANS A WRITING THAT:**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

hb1198

(I) IDENTIFIES A DEBT AS A COERCED DEBT; AND

(II) DESCRIBES THE CIRCUMSTANCES UNDER WHICH THE COERCED DEBT WAS INCURRED.

(2) "ADEQUATE DOCUMENTATION" INCLUDES:

(I) A POLICE REPORT;

~~(II) A FEDERAL TRADE COMMISSION IDENTITY THEFT REPORT;~~

(III) AN ORDER FROM A COURT OF COMPETENT JURISDICTION FINDING THE DEBT TO BE A COERCED DEBT; AND

(IV) A SWORN, WRITTEN CERTIFICATION FROM A QUALIFIED THIRD PARTY TO WHICH THE DEBTOR REPORTED THE CIRCUMSTANCES GIVING RISE TO THE COERCED DEBT.

~~(C) (1) "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 WITHIN THE CONTEXT OF:~~

(I) ABUSE, AS DEFINED IN § 4-501 OF THE FAMILY LAW ARTICLE;

(II) EXPLOITATION OF CHILDREN IN AN OUT-OF-HOME PLACEMENT, AS DEFINED IN § 5-501 OF THE FAMILY LAW ARTICLE;

(III) FINANCIAL EXPLOITATION, AS DEFINED IN § 13-601 OF THE ESTATES AND TRUSTS ARTICLE;

(IV) HARASSMENT UNDER § 3-803 OF THE CRIMINAL LAW ARTICLE;

(V) HUMAN TRAFFICKING UNDER TITLE 3, SUBTITLE 11 OF THE CRIMINAL LAW ARTICLE; OR

(VI) LABOR TRAFFICKING UNDER § 3-1202 OF THE CRIMINAL LAW ARTICLE.

Commented [FW1]: A FTC Identity Theft Report is utilized in instances of Identity Theft. MD has introduced an ID theft specific bill this session, H 1471. This provision is more appropriate in the ID theft context.

Commented [FW2]: : FTC ID Theft Report is too restrictive and may not include the facts of coercive conduct. Suggested replacement: a copy of a report filed with a federal, state, or local law enforcement agency that identifies the coerced debt and the circumstances under which the coerced debt was incurred, the filing of which subjects the person filing the report to criminal penalties for filing false information if, in fact, the information in the report is false

Commented [FW3]: We suggest this aligns with Maryland's definition: threats or force, or granted only in submission to a claim of lawful authority Gamble v. State, 318 Md. 120, 123, 567 A.2d 95, 97 (1989)

1 (2) "COERCED DEBT" DOES NOT INCLUDE A DEBT SECURED BY REAL
2 PROPERTY.

3 (D) "CONSUMER REPORTING AGENCY" HAS THE MEANING STATED IN §
4 14-1201 OF THE COMMERCIAL LAW ARTICLE.

5 (E) "CREDITOR" MEANS A PERSON, OR THE PERSON'S SUCCESSOR,
6 ASSIGNEE, OR AGENT, CLAIMING TO OWN OR HAVE THE RIGHT TO COLLECT A DEBT
7 OWED BY THE DEBTOR.

8 (F) "DEBTOR" MEANS AN INDIVIDUAL WHO OWES A DEBT.

9 (G) "QUALIFIED THIRD PARTY" MEANS:

10 (1) A LAW ENFORCEMENT OFFICER;

11 (2) A LICENSED HEALTH CARE PROVIDER;

12 (3) A LICENSED MENTAL HEALTH CARE PROVIDER;

13 (4) A LICENSED SOCIAL WORKER;

14 (5) A LICENSED CLINICAL MARRIAGE AND FAMILY THERAPIST; OR

15 (6) AN EMPLOYEE OF A DOMESTIC VIOLENCE PROGRAM THAT
16 RECEIVES FUNDING FROM THE GOVERNOR'S OFFICE OF CRIME PREVENTION AND
17 POLICY.

18 3-2702.

19 (A) (1) BEFORE FILING A CIVIL ACTION UNDER § 3-2703 OF THIS
20 SUBTITLE, A DEBTOR SHALL NOTIFY A CREDITOR THAT A DEBT ON WHICH THE
21 CREDITOR DEMANDS PAYMENT IS COERCED DEBT AND REQUEST THAT THE
22 CREDITOR CEASE ALL DEBT COLLECTION ACTIVITY ON THE COERCED DEBT.

23 (2) NOTICE PROVIDED UNDER THIS SUBSECTION SHALL:

24 (I) BE IN WRITING;

25 (II) INCLUDE ADEQUATE DOCUMENTATION; AND

26 (III) BE SUBMITTED:

HOUSE BILL 1198

- 1 1. BY MAIL;
- 2 2. BY E-MAIL;
- 3 3. ~~BY FAX; OR~~
- 4 4. ~~ONLINE OR THROUGH OTHER ELECTRONIC MEANS.~~

5 (3) A CREDITOR SHALL MAKE INFORMATION ON HOW A DEBTOR CAN
 6 SUBMIT A NOTICE UNDER THIS SECTION PUBLICLY AVAILABLE ONLINE AND ON
 7 REQUEST VIA ANY PUBLICLY AVAILABLE METHOD OF COMMUNICATION.

8 (4) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPHS (II) AND (III) OF
 9 THIS PARAGRAPH, NOTICE SUBMITTED BY A DEBTOR IS CONSIDERED RECEIVED THE
 10 SAME DAY THE DEBTOR SUBMITS THE NOTICE.

11 (II) NOTICE SUBMITTED BY MAIL IS CONSIDERED RECEIVED ~~3~~
 12 ~~10~~ DAYS AFTER THE NOTICE WAS

13 (III) NOTICE SUBMITTED WITHOUT ADEQUATE
 14 DOCUMENTATION IS CONSIDERED RECEIVED THE DAY THAT THE ADEQUATE
 15 DOCUMENTATION IS PROVIDED TO THE CREDITOR.

16 (B) (1) ON RECEIPT OF NOTICE PROVIDED UNDER SUBSECTION (A) OF
 17 THIS SECTION, A CREDITOR SHALL:

18 ~~(I) PROVIDE THE DEBTOR WITH WRITTEN CONFIRMATION~~
 19 ~~THAT THE CREDITOR HAS RECEIVED THE NOTICE, INCLUDING IDENTIFICATION OF~~
 20 ~~THE DATE THE NOTICE WAS CONSIDERED RECEIVED UNDER SUBSECTION (A)(1) OF~~
 21 ~~THIS SECTION;~~

22 (II) INFORM THE DEBTOR OF ANY MISSING DOCUMENTATION
 23 REQUIRED TO REVIEW THE NOTICE, IF APPLICABLE; AND

24 (III) INFORM A CONSUMER REPORTING AGENCY ~~WITHIN 30 DAYS~~
 25 IS DISPUTED.

26 (2) WITHIN 30 DAYS AFTER RECEIVING NOTICE UNDER SUBSECTION
 27 (A) OF THIS SECTION, A CREDITOR SHALL ~~PROVIDE~~ SEND WRITTEN NOTICE TO THE
 28 DEBTOR OF THE CREDITOR'S DECISION TO CONTINUE OR CEASE DEBT COLLECTION
 29 ACTIVITY RELATING TO THE COERCED DEBT.

Commented [FW4]: This language lacks specificity and information provided via text or chat doesn't allow consumer option of uploading supporting documentation. Recommend striking.

Commented [FW5]: Faxes are not utilized any longer. Recommend striking.

Commented [FW6]: Recommend striking this provision. Debtor will receive a letter under this provision if there is any missing documentation required to review and also within 30 days of the creditor's decision to either continue or cease debt collection.

1 (3) A NOTICE UNDER PARAGRAPH (2) OF THIS SUBSECTION OF A
2 CREDITOR'S DECISION TO RESUME DEBT COLLECTION SHALL STATE THE DATE ON
3 WHICH THE CREDITOR WILL RESUME DEBT COLLECTION ACTIVITY, WHICH MAY BE
4 NOT EARLIER THAN ~~40~~ 30 DAYS AFTER THE CREDITOR RECEIVED NOTICE UNDER
5 SUBSECTION (A) OF THIS SECTION.

6 (4) FOLLOWING NOTICE UNDER PARAGRAPH (2) OF THIS
7 SUBSECTION OF A DECISION TO CEASE DEBT COLLECTION ACTIVITY, A CREDITOR:

8 (I) SHALL:

9 1. FILE THE APPROPRIATE MOTION TO CEASE
10 WAGE GARNISHMENT;

11 2. REPORT TO A CONSUMER REPORTING AGENCY THE
12 DELETION OF THE COERCED DEBT; AND

13 3. MOVE TO DISMISS ANY ACTION IN A COURT TO
14 ENFORCE COLLECTION ACTIVITY ON THE COERCED DEBT; AND

15 (II) MAY RESUME DEBT COLLECTION ACTIVITY ON THE
16 COERCED DEBT ONLY AFTER PROVIDING WRITTEN NOTICE TO THE DEBTOR AT
17 LEAST 10 DAYS BEFORE RESUMING DEBT COLLECTION ACTIVITY.

18 (C) A CREDITOR MAY SELL OR ASSIGN TO ANOTHER PARTY A DEBT THAT A
19 DEBTOR HAS ASSERTED IS COERCED DEBT IF THE CREDITOR SELLING OR ASSIGNING
20 THE DEBT NOTIFIES THE BUYER OR ASSIGNEE THAT THE DEBTOR HAS ASSERTED
21 THE DEBT IS COERCED DEBT.

22 (D) A CREDITOR CEASING DEBT COLLECTION ACTIVITY ON A DEBT THAT A
23 DEBTOR HAS ASSERTED IS A COERCED DEBT DOES NOT CREATE A PRESUMPTION
24 REGARDING THE VALIDITY OR INVALIDITY OF THE DEBT FOR WHICH THE DEBTOR
25 MAY BE LIABLE.

26 (E) A DEBTOR MAY NOT FILE AN ACTION UNDER § 3-2703 OF THIS SUBTITLE
27 EARLIER THAN 30 DAYS AFTER PROVIDING A CREDITOR WITH NOTICE IN
28 ACCORDANCE WITH SUBSECTION (A) OF THIS SECTION.

29 3-2703.

30 (A) A DEBTOR ALLEGING A DEBT IS COERCED DEBT MAY SEEK EQUITABLE
31 RELIEF IN A COURT OF COMPETENT JURISDICTION, INCLUDING:

- 1 **(1) A DECLARATORY JUDGMENT THAT A DEBT IS A COERCED DEBT;**
- 2 **(2) AN INJUNCTION PROHIBITING A CREDITOR FROM:**
- 3 **(I) HOLDING THE DEBTOR LIABLE FOR THE COERCED DEBT;**
- 4 **(II) ENFORCING A JUDGMENT RELATED TO THE COERCED**
5 **DEBT; OR**
- 6 **(III) REPORTING THE COERCED DEBT TO A CONSUMER**
7 **REPORTING AGENCY;**
- 8 **(3) AN ORDER DISMISSING WITH PREJUDICE ANY CAUSE OF ACTION**
9 **BROUGHT BY A CREDITOR TO ENFORCE OR COLLECT THE COERCED DEBT FROM THE**
10 **DEBTOR; AND**
- 11 **(4) AN ORDER REQUIRING A CREDITOR TO REPORT TO A CONSUMER**
12 **REPORTING AGENCY THE DELETION OF THE COERCED DEBT.**
- 13 **(B) A DEBTOR MAY FILE A PETITION UNDER THIS SECTION NOT EARLIER**
14 **THAN 30 DAYS AFTER A CREDITOR HAS RECEIVED NOTICE UNDER § 3-2702 OF THIS**
15 **SUBTITLE.**
- 16 **(C) (1) A PETITION FOR EQUITABLE RELIEF FILED UNDER THIS SECTION**
17 **SHALL CONTAIN:**
- 18 **(I) EVIDENCE THAT THE DEBTOR PROVIDED NOTICE TO A**
19 **CREDITOR REQUIRED UNDER § 3-2702 OF THIS SUBTITLE; AND**
- 20 **(II) INFORMATION IDENTIFYING:**
- 21 1. **THE ACCOUNT ASSOCIATED WITH THE COERCED**
22 **DEBT;**
- 23 2. **THE INDIVIDUAL IN WHOSE NAME THE COERCED**
24 **DEBT WAS INCURRED; AND**
- 25 3. **THE INDIVIDUAL WHO CAUSED THE DEBTOR TO**
26 **INCUR THE ALLEGED COERCED DEBT INCLUDING, IF KNOWN, THE INDIVIDUAL'S**
27 **CONTACT INFORMATION.**
- 28 **(D) (1) A PETITIONER IS NOT REQUIRED TO PROVIDE INFORMATION**
29 **UNDER SUBSECTION (C)(1)(II)3 OF THIS SECTION IF THE PETITIONER SIGNS A**

1 SWORN STATEMENT ATTESTING THAT DISCLOSURE IS LIKELY TO RESULT IN ABUSE
2 OF OR HARM TO THE PETITIONER, OR HARM TO THE PETITIONER'S FAMILY OR PET.

3 (2) THE COURT SHALL TAKE APPROPRIATE STEPS NECESSARY TO
4 PREVENT ABUSE OF OR HARM TO THE DEBTOR, OR HARM TO THE DEBTOR'S FAMILY
5 OR THE DEBTOR'S PET.

6 (3) APPROPRIATE STEPS UNDER THIS SUBSECTION MAY INCLUDE
7 SHIELDING OF CASE FILES, REDACTING PERSONALLY IDENTIFIABLE INFORMATION,
8 OR REQUIRING DEPOSITIONS AND EVIDENTIARY HEARINGS TO BE CONDUCTED
9 REMOTELY.

10 (E) (1) IN AN ACTION UNDER THIS SECTION, A DEBTOR HAS THE BURDEN
11 OF PROOF TO SHOW THAT NOTICE REQUIRED UNDER § 3-2702 OF THIS SUBTITLE
12 WAS PROVIDED TO THE CREDITOR.

13 (2) ONCE A DEBTOR MEETS THE BURDEN OF PROOF UNDER
14 PARAGRAPH (1) OF THIS SUBSECTION, A CREDITOR HAS THE BURDEN OF PROOF TO
15 SHOW THAT THE DEBTOR DID NOT ALLEGE IN GOOD FAITH THAT THE DEBT WAS
16 COERCED.

17 3-2704.

18 THIS SUBTITLE MAY NOT BE CONSTRUED TO PROHIBIT A CREDITOR FROM
19 PURSUING AN ACTION AGAINST AN INDIVIDUAL ALLEGED TO HAVE CAUSED A
20 DEBTOR TO INCUR COERCED DEBT.

21 3-2705.

22 IF A DEBTOR RECEIVES A DECLARATORY JUDGMENT THAT A DEBT IS A
23 COERCED DEBT UNDER THIS SUBTITLE, A DEBTOR MAY SEEK RELIEF IN A COURT OF
24 COMPETENT JURISDICTION AGAINST AN INDIVIDUAL ALLEGED TO HAVE CAUSED A
25 COERCED DEBT, INCLUDING:

26 (1) DAMAGES IN THE AMOUNT OF PAYMENTS MADE OR COSTS
27 INCURRED RELATED TO THE COERCED DEBT;

28 (2) ATTORNEY'S FEES; AND

29 (3) COURT COSTS.

30 3-2706.

1 **IN AN ACTION AGAINST A DEBTOR TO SATISFY A DEBT, IT IS AN AFFIRMATIVE**
2 **DEFENSE THAT THE DEBT IS A COERCED DEBT.**

3 **3-2707.**

4 **AN AGREEMENT BETWEEN A DEBTOR AND ANY OTHER PERSON TO WAIVE OR**
5 **MODIFY A RIGHT CONFERRED OR CAUSE OF ACTION CREATED UNDER THIS**
6 **SUBTITLE IS VOID AS CONTRARY TO PUBLIC POLICY.**

7 SECTION 2. AND BE IT FURTHER ENACTED, That, if any provision of this Act or
8 the application of any provision of this Act to any person or circumstance is held invalid for
9 any reason in a court of competent jurisdiction, the invalidity does not affect other
10 provisions or any other application of this Act that can be given effect without the invalid
11 provision or application, and for this purpose the provisions of this Act are declared
12 severable.

13 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
14 October 1, 2026.

Memo of Opposition MD Coerced Debt HB 1198.pdf

Uploaded by: Diana Macon

Position: UNF



Memorandum in Opposition - MD HB 1198

February 27, 2026

On behalf of PRA Group, Inc. and its wholly-owned subsidiaries (collectively, "PRA"), I am writing to express our concern with **House Bill 1198 ("HB 1198")**. While the bill proposes to provide consumer protections related to coerced debt which would have unintended consequences for consumers and Maryland businesses alike.

PRA is a publicly-traded global company, headquartered in Norfolk, Virginia, that, through its subsidiaries, purchases portfolios of consumer receivables from major banks, and then partners with individuals as they repay their obligations, working toward financial recovery. We are a leader in the nonperforming loan industry and take our leadership obligations within our industry seriously. We work with consumers to resolve their obligations and typically offer a discount on the face value of the debt. In addition, we typically charge no pre-judgment interest or fees on debt we purchase domestically. PRA is also a willing participant in any action that combats unethical consumer practices and those actions in harming both consumers and legitimate businesses.

Coerced debt is a form of financial abuse in which an abusive partner, family member or caregiver forces, manipulates or tricks someone into taking on debt they did not want. Coerced debt is most common among survivors of domestic violence, victims of human trafficking, older adults, foster youth and people with disabilities or the elderly that rely on caregivers, as these groups are more vulnerable to coercive control and financial exploitation.

PRA applauds the legislature in providing victims of coerced debt with additional protections. However, there are provisions in the bill that are logistically and operationally impossible or that may conflict with existing law. To that end, PRA offers the attached redlines, designed to preserve the overall intent of the bill while offering solutions for our concerns.

We stand ready to work with the sponsor on these changes to ensure that legislation passed both protects consumers and is logistically feasible for businesses as well. PRA urges legislature to **amend HB 1198 as attached before considering any final passage.**

Best regards,

Franci Wayland



Vice President, Government Relations and Public Policy

PRA Group, Inc.

150 Corporate Boulevard

Norfolk, VA 23502

Franci.Wayland@PRAGroup.com

(757) 376-8686 (mobile)

MARYLAND HB. 1198 RMAI OPPOSE 2026 03 09.pdf

Uploaded by: Donald Maurice

Position: UNF



MEMO IN OPPOSITION (UNLESS AMENDED)
MARYLAND HB. 1198
An act concerning
Civil Actions – Coerced Debt – Debtor Protections
March 9, 2026

Thank you, Chairperson, and respected members of the Committee. My name is Donald Maurice, and I am outside counsel for the Receivables Management Association International (RMAI). RMAI is a trade association with over 600 members, composed of banks, non-bank lenders, debt purchasers, and companies that serve them. RMAI **opposes HB. 1198** as currently drafted, but can support the bill if amended.

RMAI is committed to the accuracy and integrity of consumer credit, and we support legislation to protect victims of economic abuse and coerced debt. However, HB. 1198 causes confusion for both consumers and industry.

HB. 1198 Will Harm Victims of Identity Theft and Coerced Debt

The bill would allow an FTC Identity Theft Report to trigger the application of consumer protections. We oppose this. It conflates identity theft with coerced debt. Coerced debt occurs when a person is subject to violence or the threat of violence or the exposure of a secret (blackmail). In these instances, the victim knows the bad actor.¹

In most cases of identity theft, the US Department of Justice reports 95% of victims do not know the person who caused the harm.² Our members have compliance policies and procedures that address this typical type of identity theft, which occurs without coercion. In fact, a bill in this session, HB. 1471, addressing identity theft, uses the same trigger document: an FTC Identity Theft Report. This confuses both consumers and the credit industry. The same documents cannot be evidence of both identity theft and coerced debt. If consumers are

¹ Angela Littwin, *Escaping Battered Credit: A Proposal for Repairing Credit Reports Damaged by Domestic Violence*, 161 U. Pa. L. Rev. 363, 365 (Jan. 2013).

² <https://bjs.ojp.gov/document/vit21.pdf>, archived at <https://perma.cc/9SFP-E3HT>.



OPPOSE UNLESS AMENDED HB. 1198

March 9, 2026

Page 2

entitled to protection, our members need clarity when those protections are triggered and what they must do in response.

Finally, the definition of coerced debt should align with existing Maryland law.

A redline is attached. We are ready to work with the sponsors and all stakeholders.

30

If you have questions or if we can be of any assistance. You may contact RMAI's outside counsel, Donald Maurice at dmaurice@mauricewutscher.com or 908-237-4570.

30

HOUSE BILL 1198

D3, D4

6lr1256

By: **Delegates Lopez, Charkoudian, Embry, and Shetty**
Introduced and read first time: February 11, 2026
Assigned to: Judiciary

A BILL ENTITLED

1 AN ACT concerning

2 **Civil Actions – Coerced Debt – Debtor Protections**

3 FOR the purpose of providing that a debtor may provide certain notice to a creditor and
4 request that the creditor cease debt collection activity relating to a coerced debt;
5 authorizing a debtor, after providing a creditor with certain notice, to bring an action
6 against the creditor seeking certain relief; authorizing a debtor to bring a certain
7 action against a certain individual; establishing a certain affirmative defense; and
8 generally relating to coerced debt.

9 BY adding to

10 Article – Courts and Judicial Proceedings
11 Section 3–2701 through 3–2707 to be under the new subtitle “Subtitle 27. Coerced
12 Debt – Debtor Protections”
13 Annotated Code of Maryland
14 (2020 Replacement Volume and 2025 Supplement)

15 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
16 That the Laws of Maryland read as follows:

17 **Article – Courts and Judicial Proceedings**

18 **SUBTITLE 27. COERCED DEBT – DEBTOR PROTECTIONS.**

19 **3–2701.**

20 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
21 INDICATED.

22 (B) (1) “ADEQUATE DOCUMENTATION” MEANS A WRITING THAT:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.

hb1198

(I) IDENTIFIES A DEBT AS A COERCED DEBT; AND

(II) DESCRIBES THE CIRCUMSTANCES UNDER WHICH THE COERCED DEBT WAS INCURRED.

(2) "ADEQUATE DOCUMENTATION" INCLUDES:

(I) A POLICE REPORT;

(II) ~~A FEDERAL TRADE COMMISSION IDENTITY THEFT REPORT;~~

(III) AN ORDER FROM A COURT OF COMPETENT JURISDICTION FINDING THE DEBT TO BE A COERCED DEBT; AND

(IV) A SWORN, WRITTEN CERTIFICATION FROM A QUALIFIED THIRD PARTY TO WHICH THE DEBTOR REPORTED THE CIRCUMSTANCES GIVING RISE TO THE COERCED DEBT.

(C) (1) "COERCED DEBT" MEANS ALL OR A PART OF A DEBT IN THE DEBTOR'S NAME INCURRED AS A RESULT OF ~~THREATS OR FORCE, OR GRANTED ONLY IN SUBMISSION TO A CLAIM OF LAWFUL AUTHORITY FRAUD, DURESS, INTIMIDATION, THREAT, FORCE, COERCION, MANIPULATION, UNDUE INFLUENCE, MISINFORMATION, OR THE NONCONSENSUAL USE OF THE DEBTOR'S PERSONAL IDENTIFYING INFORMATION,~~ THAT OCCURS WITHIN THE CONTEXT OF:

(I) ABUSE, AS DEFINED IN § 4-501 OF THE FAMILY LAW ARTICLE;

(II) EXPLOITATION OF CHILDREN IN AN OUT-OF-HOME PLACEMENT, AS DEFINED IN § 5-501 OF THE FAMILY LAW ARTICLE;

(III) FINANCIAL EXPLOITATION, AS DEFINED IN § 13-601 OF THE ESTATES AND TRUSTS ARTICLE;

(IV) HARASSMENT UNDER § 3-803 OF THE CRIMINAL LAW ARTICLE;

(V) HUMAN TRAFFICKING UNDER TITLE 3, SUBTITLE 11 OF THE CRIMINAL LAW ARTICLE; OR

(VI) LABOR TRAFFICKING UNDER § 3-1202 OF THE CRIMINAL LAW ARTICLE.

Commented [DM1]: FTC ID Theft Report is too restrictive and may not include the facts of coercive conduct.

Suggested replacement:
a copy of a report filed with a federal, state, or local law enforcement agency that identifies the coerced debt and the circumstances under which the coerced debt was incurred, the filing of which subjects the person filing the report to criminal penalties for filing false information if, in fact, the information in the report is false;

Commented [DM2]: We suggest this aligns with Maryland's definition:

threats or force, or granted only in submission to a claim of lawful authority

[Gamble v. State, 318 Md. 120, 123, 567 A.2d 95, 97 \(1989\)](#)

1 **(2) “COERCED DEBT” DOES NOT INCLUDE A DEBT SECURED BY REAL**
2 **PROPERTY.**

3 **(D) “CONSUMER REPORTING AGENCY” HAS THE MEANING STATED IN §**
4 **14-1201 OF THE COMMERCIAL LAW ARTICLE.**

5 **(E) “CREDITOR” MEANS A PERSON, OR THE PERSON’S SUCCESSOR,**
6 **ASSIGNEE, OR AGENT, CLAIMING TO OWN OR HAVE THE RIGHT TO COLLECT A DEBT**
7 **OWED BY THE DEBTOR.**

8 **(F) “DEBTOR” MEANS AN INDIVIDUAL WHO OWES A DEBT.**

9 **(G) “QUALIFIED THIRD PARTY” MEANS:**

10 **(1) A LAW ENFORCEMENT OFFICER;**

11 **(2) A LICENSED HEALTH CARE PROVIDER;**

12 **(3) A LICENSED MENTAL HEALTH CARE PROVIDER;**

13 **(4) A LICENSED SOCIAL WORKER;**

14 **(5) A LICENSED CLINICAL MARRIAGE AND FAMILY THERAPIST; OR**

15 **(6) AN EMPLOYEE OF A DOMESTIC VIOLENCE PROGRAM THAT**
16 **RECEIVES FUNDING FROM THE GOVERNOR’S OFFICE OF CRIME PREVENTION AND**
17 **POLICY.**

18 **3-2702.**

19 **(A) (1) BEFORE FILING A CIVIL ACTION UNDER § 3-2703 OF THIS**
20 **SUBTITLE, A DEBTOR SHALL NOTIFY A CREDITOR THAT A DEBT ON WHICH THE**
21 **CREDITOR DEMANDS PAYMENT IS COERCED DEBT AND REQUEST THAT THE**
22 **CREDITOR CEASE ALL DEBT COLLECTION ACTIVITY ON THE COERCED DEBT.**

23 **(2) NOTICE PROVIDED UNDER THIS SUBSECTION SHALL:**

24 **(I) BE IN WRITING;**

25 **(II) INCLUDE ADEQUATE DOCUMENTATION; AND**

26 **(III) BE SUBMITTED;**

- 1 1. BY **CERTIFIED MAIL**;
- 2 ~~2. BY E-MAIL;~~
- 3 ~~3. BY FAX; OR~~
- 4 4. **AS MADE AVAILABLE BY THE CREDITOR UNDER (3)**
~~BELOW ONLINE OR THROUGH OTHER ELECTRONIC MEANS.~~

5 (3) A CREDITOR SHALL MAKE INFORMATION ON HOW A DEBTOR CAN
6 SUBMIT A NOTICE UNDER THIS SECTION PUBLICLY AVAILABLE ONLINE AND ON
7 REQUEST VIA ANY PUBLICLY AVAILABLE METHOD OF COMMUNICATION.

8 (4) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPHS (II) AND (III) OF
9 THIS PARAGRAPH, NOTICE SUBMITTED BY A DEBTOR IS CONSIDERED RECEIVED THE
10 SAME DAY THE DEBTOR SUBMITS THE NOTICE.

11 (II) NOTICE SUBMITTED BY MAIL IS CONSIDERED RECEIVED 3
12 DAYS AFTER THE NOTICE WAS POSTMARKED.

13 (III) NOTICE SUBMITTED WITHOUT ADEQUATE
14 DOCUMENTATION IS CONSIDERED RECEIVED THE DAY THAT THE ADEQUATE
15 DOCUMENTATION IS PROVIDED TO THE CREDITOR.

16 (B) (1) ~~WITHIN 14 DAYS ON~~ RECEIPT OF NOTICE PROVIDED UNDER
SUBSECTION (A) OF THIS SECTION, A CREDITOR SHALL:

17 (I) PROVIDE THE DEBTOR WITH WRITTEN CONFIRMATION
18 THAT THE CREDITOR HAS RECEIVED THE NOTICE, INCLUDING IDENTIFICATION OF
19 THE DATE THE NOTICE WAS CONSIDERED RECEIVED UNDER SUBSECTION (A)(4) OF
20 THIS SECTION;

21 (II) INFORM THE DEBTOR OF ANY MISSING DOCUMENTATION
22 REQUIRED TO REVIEW THE NOTICE, IF APPLICABLE; AND

24 (III) INFORM A CONSUMER REPORTING AGENCY THAT THE
COERCED DEBT IS DISPUTED.

25 (2) WITHIN 30 DAYS AFTER RECEIVING NOTICE UNDER SUBSECTION
26 (A) OF THIS SECTION, A CREDITOR SHALL PROVIDE WRITTEN NOTICE TO THE
27 DEBTOR OF THE CREDITOR'S DECISION TO CONTINUE OR CEASE DEBT COLLECTION
28 ACTIVITY RELATING TO THE COERCED DEBT.

1 (3) A NOTICE UNDER PARAGRAPH (2) OF THIS SUBSECTION OF A
2 CREDITOR'S DECISION TO RESUME DEBT COLLECTION **OF THE COERCED DEBT**
3 SHALL STATE THE DATE ON WHICH THE CREDITOR WILL RESUME DEBT
4 COLLECTION ACTIVITY **ON THE COERCED DEBT**, WHICH MAY BE
5 NOT EARLIER THAN 40 DAYS AFTER THE CREDITOR RECEIVED NOTICE UNDER
6 SUBSECTION (A) OF THIS SECTION.

7 (4) FOLLOWING NOTICE UNDER PARAGRAPH (2) OF THIS
8 SUBSECTION OF A DECISION TO CEASE DEBT COLLECTION ACTIVITY **OF THE**
9 **COERCED DEBT**, A CREDITOR:

10 (i) SHALL:

11 1. CEASE ALL DEBT COLLECTION ACTIVITY **OF THE**
12 **COERCED DEBT**, INCLUDING wage garnishment;

13 2. REPORT TO A CONSUMER REPORTING AGENCY THE
14 DELETION OF THE COERCED DEBT; AND

15 3. MOVE TO DISMISS ANY ACTION IN A COURT TO
16 ENFORCE COLLECTION ACTIVITY ON THE COERCED DEBT; AND

17 (ii) MAY RESUME DEBT COLLECTION ACTIVITY ON THE
18 COERCED DEBT ONLY AFTER PROVIDING WRITTEN NOTICE TO THE DEBTOR AT
19 LEAST 10 DAYS BEFORE RESUMING DEBT COLLECTION ACTIVITY.

20 (c) A CREDITOR MAY SELL OR ASSIGN TO ANOTHER PARTY A DEBT THAT A
21 DEBTOR HAS ASSERTED IS COERCED DEBT IF THE CREDITOR SELLING OR ASSIGNING
22 THE DEBT NOTIFIES THE BUYER OR ASSIGNEE THAT THE DEBTOR HAS ASSERTED
23 THE DEBT IS COERCED DEBT.

24 (d) A CREDITOR CEASING DEBT COLLECTION ACTIVITY ON A DEBT THAT A
25 DEBTOR HAS ASSERTED IS A COERCED DEBT DOES NOT CREATE A PRESUMPTION
26 REGARDING THE VALIDITY OR INVALIDITY OF THE DEBT FOR WHICH THE DEBTOR
27 MAY BE LIABLE.

28 (e) A DEBTOR MAY NOT FILE AN ACTION UNDER § 3-2703 OF THIS SUBTITLE
29 EARLIER THAN 30 DAYS AFTER PROVIDING A CREDITOR WITH NOTICE IN
30 ACCORDANCE WITH SUBSECTION (A) OF THIS SECTION.

31 3-2703.

 (A) A DEBTOR ALLEGING A DEBT IS COERCED DEBT MAY SEEK EQUITABLE
RELIEF IN A COURT OF COMPETENT JURISDICTION, INCLUDING:

1 (1) A DECLARATORY JUDGMENT THAT A DEBT IS A COERCED DEBT;

2 (2) AN INJUNCTION PROHIBITING A CREDITOR FROM:

3 (I) HOLDING THE DEBTOR LIABLE FOR THE COERCED DEBT;

4 (II) ENFORCING A JUDGMENT RELATED TO THE COERCED
5 DEBT; OR

6 (III) REPORTING THE COERCED DEBT TO A CONSUMER
7 REPORTING AGENCY;

8 (3) AN ORDER DISMISSING WITH PREJUDICE ANY CAUSE OF ACTION
9 BROUGHT BY A CREDITOR TO ENFORCE OR COLLECT THE COERCED DEBT FROM THE
10 DEBTOR; AND

11 (4) AN ORDER REQUIRING A CREDITOR TO REPORT TO A CONSUMER
12 REPORTING AGENCY THE DELETION OF THE COERCED DEBT.

13 (B) A DEBTOR MAY FILE A PETITION UNDER THIS SECTION NOT EARLIER
14 THAN 30 DAYS AFTER A CREDITOR HAS RECEIVED NOTICE UNDER § 3-2702 OF THIS
15 SUBTITLE.

16 (C) (1) A PETITION FOR EQUITABLE RELIEF FILED UNDER THIS SECTION
17 SHALL CONTAIN:

18 (I) EVIDENCE THAT THE DEBTOR PROVIDED NOTICE TO A
19 CREDITOR REQUIRED UNDER § 3-2702 OF THIS SUBTITLE; AND

20 (II) INFORMATION IDENTIFYING:

21 1. THE ACCOUNT ASSOCIATED WITH THE COERCED
22 DEBT;

23 2. THE INDIVIDUAL IN WHOSE NAME THE COERCED
24 DEBT WAS INCURRED; AND

25 3. THE INDIVIDUAL WHO CAUSED THE DEBTOR TO
26 INCUR THE ALLEGED COERCED DEBT INCLUDING, IF KNOWN, THE INDIVIDUAL'S
27 CONTACT INFORMATION.

28 (D) (1) ~~ON ORDER OF A COURT, A~~ PETITIONER IS NOT REQUIRED TO
PROVIDE INFORMATION UNDER SUBSECTION (C)(1)(II)3 OF THIS SECTION IF
THE PETITIONER ~~SIGNS A~~

~~1 SWORN STATEMENT ATTESTING THAT DISCLOSURE IS LIKELY TO RESULT IN ABUSE
2 OF OR HARM TO THE PETITIONER, OR HARM TO THE PETITIONER'S FAMILY OR PET.~~

3 (2) THE COURT SHALL TAKE APPROPRIATE STEPS NECESSARY TO
4 PREVENT ABUSE OF OR HARM TO THE DEBTOR, OR HARM TO THE DEBTOR'S FAMILY
5 OR THE DEBTOR'S PET.

6 (3) APPROPRIATE STEPS UNDER THIS SUBSECTION MAY INCLUDE
7 SHIELDING OF CASE FILES, REDACTING PERSONALLY IDENTIFIABLE INFORMATION,
8 OR REQUIRING DEPOSITIONS AND EVIDENTIARY HEARINGS TO BE CONDUCTED
9 REMOTELY.

10 (E) (1) IN AN ACTION UNDER THIS SECTION, A DEBTOR HAS THE BURDEN
11 OF PROOF TO SHOW THAT NOTICE REQUIRED UNDER § 3-2702 OF THIS SUBTITLE
12 WAS PROVIDED TO THE CREDITOR.

13 (2) ONCE A DEBTOR MEETS THE BURDEN OF PROOF UNDER
14 PARAGRAPH (1) OF THIS SUBSECTION, A CREDITOR HAS THE BURDEN OF PROOF TO
15 SHOW THAT THE DEBTOR DID NOT ALLEGE IN GOOD FAITH THAT THE DEBT WAS
16 COERCED.

17 **3-2704.**

18 THIS SUBTITLE MAY NOT BE CONSTRUED TO PROHIBIT A CREDITOR FROM
19 PURSUING AN ACTION AGAINST AN INDIVIDUAL ALLEGED TO HAVE CAUSED A
20 DEBTOR TO INCUR COERCED DEBT.

21 **3-2705.**

22 IF A DEBTOR RECEIVES A DECLARATORY JUDGMENT THAT A DEBT IS A
23 COERCED DEBT UNDER THIS SUBTITLE, A DEBTOR MAY SEEK RELIEF IN A COURT OF
24 COMPETENT JURISDICTION AGAINST AN INDIVIDUAL ALLEGED TO HAVE CAUSED A
25 COERCED DEBT, INCLUDING:

26 (1) DAMAGES IN THE AMOUNT OF PAYMENTS MADE OR COSTS
27 INCURRED RELATED TO THE COERCED DEBT;

28 (2) ATTORNEY'S FEES; AND

29 (3) COURT COSTS.

30 **3-2706.**

1 **IN AN ACTION AGAINST A DEBTOR TO SATISFY A DEBT, IT IS AN AFFIRMATIVE**
2 **DEFENSE THAT THE DEBT IS A COERCED DEBT.**

3 **3-2707.**

4 **AN AGREEMENT BETWEEN A DEBTOR AND ANY OTHER PERSON TO WAIVE OR**
5 **MODIFY A RIGHT CONFERRED OR CAUSE OF ACTION CREATED UNDER THIS**
6 **SUBTITLE IS VOID AS CONTRARY TO PUBLIC POLICY.**

7 SECTION 2. AND BE IT FURTHER ENACTED, That, if any provision of this Act or
8 the application of any provision of this Act to any person or circumstance is held invalid for
9 any reason in a court of competent jurisdiction, the invalidity does not affect other
10 provisions or any other application of this Act that can be given effect without the invalid
11 provision or application, and for this purpose the provisions of this Act are declared
12 severable.

13 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
14 October 1, 2026.

hb1198.pdf

Uploaded by: Will Vormelker

Position: UNF

HON. STACY A. MAYER
CIRCUIT COURT
JUDGE
BALTIMORE COUNTY
CHAIR

HON. RICHARD SANDY
CIRCUIT COURT
JUDGE
FREDERICK COUNTY
VICE-CHAIR



KELLEY O'CONNOR
ASSISTANT STATE COURT
ADMINISTRATOR
GOVERNMENT RELATIONS
AND PUBLIC AFFAIRS
P: (410) 260-1560

SUZANNE PELZ, ESQ.
SNR. GOVT. RELATIONS AND
PUBLIC AFFAIRS OFFICER
P: (410)260-1523

MARYLAND JUDICIAL COUNCIL LEGISLATIVE COMMITTEE

MEMORANDUM

TO: House Judiciary Committee
FROM: Legislative Committee
Suzanne D. Pelz, Esq.
410-260-1523
RE: House Bill 1198
Civil Actions – Coerced Debt – Debtor Protections
DATE: March 4, 2026
(3/11)
POSITION: Oppose only the specific provisions below

The Maryland Judiciary opposes House Bill 1198, as drafted.

The Judiciary has no position on the policy aims of the legislation but only writes to point out the following concerns. The bill, on page 6, lines 8 through 10, allows a debtor to seek equitable relief, including an order dismissing with prejudice any cause of action brought by a creditor to enforce or collect a coerced debt from the debtor. Essentially, this would allow a court to dismiss other cases in other jurisdictions based on relief granted in an entirely separate action. In addition, the bill, on page 7, lines 3 through 5, requires the court to “take appropriate steps necessary to prevent abuse of or harm to the debtor, or harm to the debtor’s family or the debtor’s pet”. The Judiciary objects to this mandatory provision, which should be left to the Court’s discretion. The language is also vague and difficult to apply as it is unclear what “appropriate steps” the court may or must undertake. Finally, the bill, on page 22, lines 23 through 24, permits a debtor to seek certain relief in a “court of competent jurisdiction” if the debtor receives a declaratory judgment. It is unclear whether the court designation depends on the amount of controversy or whether the circuit court has exclusive original jurisdiction in such instances. In this regard, although the bill permits a debtor to seek equitable relief in a “court of competent jurisdiction” (p. 5, line 31), the District Court of Maryland is without

jurisdiction to issue injunctions. As such, if equitable relief is afforded in the bill, the action should be filed in circuit court.

cc. Hon. Lesley Lopez
Judicial Council
Legislative Committee
Kelley O'Connor