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# Alleviating the Burden of Coerced Debt: Legal Solutions to Intimate Partner Credit Abuse

Kristine Martinez

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ALLEVIATING THE BURDEN OF COERCED DEBT: LEGAL  
SOLUTIONS TO INTIMATE PARTNER CREDIT ABUSE

*Kristine Martinez*\*

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## I. INTRODUCTION

Lauren Cobello, a financial professional, embarked on a relationship with a man who was new to her area and quick to help her with chores and errands.<sup>1</sup> Lauren grew up understanding that couples support each other by combining finances, so she agreed to add him to her credit card accounts so he could build up his credit scores.<sup>2</sup> After planning their wedding and honeymoon, at the last minute, he told her that he could not pay for those events, so she did.<sup>3</sup> Lauren also cosigned his truck loan, and when he defaulted, she took money from her retirement savings to pay the loan.<sup>4</sup> Supporting his ambitions, she even helped him start his construction company.<sup>5</sup> Then, after less than one year of marriage, the two divorced.<sup>6</sup> While he left the relationship with a paid-off truck and a business, she left with \$100,000 in debt.<sup>7</sup> What the credit card companies and lenders could not see was that this man emotionally, verbally, and financially abused Lauren.<sup>8</sup> Lauren's story is not an anomaly;<sup>9</sup> there are many stories like hers of those who, after struggling to leave an abusive

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\* J.D. Candidate, May 2024, University of Baltimore School of Law; B.A., International Affairs, 2012, University of Colorado. I would like to sincerely thank Professor Michele Gilman for her unwavering encouragement, enthusiasm, and mentorship throughout the research and writing process. Her steadfast guidance helped me develop a budding idea into a polished piece of useful legal scholarship. I am immensely grateful to my colleagues on the *University of Baltimore Law Review*, whose dedication and eagerness to help over the last year made my tenure as Managing Editor so rewarding. I would also like to thank my family and friends for their unconditional love and support. Last but certainly not least, a special thanks to my husband, Ray, for his patience, thoughtfulness, and constant willingness to bounce around ideas.

1. Sarah Brady, *Coerced Debt: An Insidious Type of Financial Abuse*, FORBES ADVISOR, <https://www.forbes.com/advisor/personal-finance/coerced-debt-financial-abuse/> [https://perma.cc/AJ73-6D92] (Oct. 18, 2022, 1:02 PM).

2. *Id.*

3. *Id.*

4. *Id.*

5. *Id.*

6. *Id.*

7. *Id.*

8. Lauren Cobello, *Financial and Domestic Abuse - Warning Signs and How to Heal*, YOUTUBE (Jan. 24, 2022), <https://www.youtube.com/live/057u874ZRmw?si=LAs3qWQj9Cm5khuG> [https://perma.cc/3CUD-3W2L].

9. See Brady, *supra* note 1.

relationship, find themselves saddled with debt and little legal recourse.<sup>10</sup>

In intimate relationships where there is domestic violence<sup>11</sup> involving coercive control,<sup>12</sup> the person experiencing abuse<sup>13</sup> may also suffer from coerced debt.<sup>14</sup> Coerced debt arises in an intimate, abusive relationship when an abuser—through fraud, manipulation, or coercion—obtains credit in the name of the victim who is experiencing the abuse.<sup>15</sup> Coerced debt includes “all nonconsensual, credit-related transactions that occur in a violent relationship.”<sup>16</sup>

10. See, e.g., Fiona McCormack, *How Did a Confident, Successful Woman Become a Poverty-Stricken Recluse?*, THE GUARDIAN (Aug. 7, 2018, 10:34 PM), <https://www.theguardian.com/commentisfree/2018/aug/08/how-did-a-confident-successful-woman-become-a-poverty-stricken-recluse> [<https://perma.cc/8SL9-GSD9>]; see also, e.g., Marissa Jeffery & Ann Baddour, *Abuse by Credit: The Problem of Coerced Debt in Texas*, TEX. APPLESEED (Dec. 13, 2018), <https://report.texasappleseed.org/abuse-by-credit-the-problem-of-coerced-debt-in-texas/> [<https://perma.cc/U8SF-AHNT>]; Ariane Lange, *'Til Debt Do Us Part: She Trusted Her Husband to Handle Her Money. It Cost Her More Than She Imagined*, BUZZFEED NEWS (Jan. 7, 2019, 11:36 AM), <https://www.buzzfeednews.com/article/arianelange/coerced-debt-financial-abuse-fix-credit-score> [<https://perma.cc/C4JV-ZBTH>].
11. While the term “domestic violence” encapsulates many types of relationships, the term “intimate partner violence” more directly describes violence between romantic partners. *The Language We Use*, WOMEN AGAINST ABUSE, <https://www.womenagainstabuse.org/education-resources/the-language-we-use> [<https://perma.cc/NV3C-QMTT>]. Coerced debt most often manifests in romantic relationships—whether the partners are dating, married, separated, or divorced—but it has also been found in parent-child relationships. See *infra* Section II.A.1. This comment uses the term “domestic violence” to refer to relationship violence.
12. See *infra* notes 48–52 and accompanying text.
13. While the term “victim” is used by law enforcement and in courtroom proceedings, many advocacy organizations use the term “survivor” to empower the individual seeking support. WOMEN AGAINST ABUSE, *supra* note 11. Each person who is leaving an abusive relationship may prefer a different term, and advocates are encouraged to use the term that the affected individual identifies with. *Id.* “Victim” is a legal term of art: someone “harmed by a crime, tort, or other wrong.” *Victim*, BLACK’S LAW DICTIONARY (11th ed. 2019). Therefore, this comment uses the term “victim” to describe people who are experiencing coerced debt.
14. See Angela Littwin, *Coerced Debt: The Role of Consumer Credit in Domestic Violence*, 100 CALIF. L. REV. 951, 973–74, 977–78 (2012) [hereinafter Littwin, *Coerced Debt*].
15. See *id.* at 986–91; Angela Littwin, *Escaping Battered Credit: A Proposal for Repairing Credit Reports Damaged by Domestic Violence*, 161 U. PA. L. REV. 363, 363 (2013) [hereinafter Littwin, *Escaping Battered Credit*]; KATIE CIORBA VONDELINDE ET AL., CTR. FOR SURVIVOR AGENCY & JUST., COMPENDIUM ON COERCED DEBT 7 (2022) [https://csaj.org/wp-content/uploads/2022/10/CSAJ-Compendium-on-Coerced-Debt\\_MAIN.pdf](https://csaj.org/wp-content/uploads/2022/10/CSAJ-Compendium-on-Coerced-Debt_MAIN.pdf) [<https://perma.cc/AZJ6-YWS7>].
16. See Littwin, *Coerced Debt*, *supra* note 14, at 954.

Abusers do not always exert physical violence to coerce debt.<sup>17</sup> Instead, an abuser may aim to control their partner through financial, emotional, social, cultural, psychological, and other manipulative methods.<sup>18</sup>

In effect, coerced debt burdens victims with financial obligations.<sup>19</sup> Many are stuck owing hundreds to thousands of dollars in coerced debt,<sup>20</sup> with the median debt incurred by divorcing women reaching \$23,248.<sup>21</sup> Many victims believe that coerced debt will disqualify them from life outside of their abusive relationship.<sup>22</sup> In a 2018 survey of 164 individuals who left abusive relationships, 73% of respondents reported that they remained in their relationship longer than they wanted to because of coerced debt.<sup>23</sup> To not only leave their abusers but also to gain independent financial stability, coerced debt victims need new legal solutions to dispute the debt.<sup>24</sup>

Victims of coerced debt are six times more likely to have their credit damaged by their abuser.<sup>25</sup> This credit damage has more far-reaching effects today than ever before.<sup>26</sup> Credit scores are no longer exclusively used to obtain traditional loans;<sup>27</sup> landlords, utility companies, and employers use credit reports to screen potential tenants, customers, and employees for creditworthiness.<sup>28</sup> Due to this increased scrutiny, a good credit score is essential to gain employment and livable housing.<sup>29</sup> Those with coerced debt

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17. Jeffrey R. Baker, *Enjoining Coercion: Squaring Civil Protection Orders with the Reality of Domestic Abuse*, 11 J.L. & FAM. STUD. 35, 65 (2008).

18. *Id.*

19. Littwin, *Coerced Debt*, *supra* note 14, at 1000.

20. *Id.*

21. *Consumer Rights Newsletter on Coerced Debt – December 2023*, CTR. FOR SURVIVOR AGENCY & JUST. (Dec. 2023), <https://csaj.org/consumer-rights-newsletter-on-coerced-debt-3/> [<https://perma.cc/QQ7S-FW73>].

22. See CYNTHIA HESS & ALONA DEL ROSARIO, INST. FOR WOMEN'S POL'Y RSCH., DREAMS DEFERRED: A SURVEY ON THE IMPACT OF INTIMATE PARTNER VIOLENCE ON SURVIVORS' EDUCATION, CAREERS, AND ECONOMIC SECURITY 9–10, 33 (Oct. 24, 2018), [https://iwpr.org/wp-content/uploads/2020/09/C475\\_IWPR-Report-Dreams-Deferred.pdf](https://iwpr.org/wp-content/uploads/2020/09/C475_IWPR-Report-Dreams-Deferred.pdf) [<https://perma.cc/A3VB-Y8K2>].

23. *Id.* at 8, 33.

24. *Cf.* Littwin, *Escaping Battered Credit*, *supra* note 15, at 365–66 (noting that there are no easy solutions to the complex phenomenon of coerced debt and that married victims require different remedies than unmarried victims).

25. Adrienne E. Adams et al., *The Frequency, Nature, and Effects of Coerced Debt Among a National Sample of Women Seeking Help for Intimate Partner Violence*, 26 VIOLENCE AGAINST WOMEN 1324, 1333 (2020).

26. Littwin, *Coerced Debt*, *supra* note 14, at 1000.

27. *Id.* at 1000–01.

28. Adams et al., *supra* note 25, at 1326.

29. Littwin, *Coerced Debt*, *supra* note 14, at 1000.

consequently experience credit damage and financial dependence,<sup>30</sup> and this comment evaluates and proposes legal solutions to limit the harms of coerced debt.

The purpose of coerced debt remedies is to relieve victims from debts that benefit their abusers and make it difficult or impossible to establish separate finances and lives for themselves outside their relationships with their abusers.<sup>31</sup> Federal law provides avenues to dispute debt resulting from identity theft but few remedies for coerced debts,<sup>32</sup> and only a handful of states provide statutory remedies for victims of coerced debt.<sup>33</sup> Legislators should craft legal relief so unscrupulous debtors cannot use these laws as a loophole to hoodwink creditors, but at the same time, must draft laws to ensure that victims of coercion can use these legal recourses to secure future financial independence and stability.<sup>34</sup>

In Part II, this comment addresses how abusers coerce debt.<sup>35</sup> Part III surveys the federal and state laws available to victims of coerced debt, as well as previously proposed solutions and their feasibility.<sup>36</sup> Finally, Part IV assesses new criminal and consumer law solutions to coerced debt promulgated in Texas, Maine, New York, Minnesota, and California.<sup>37</sup> This comment seeks to raise awareness of coerced debt and advocates for additional states to adopt statutory language similar to California's Coerced Debt Law due to the law's clarity, accessibility, and stronger likelihood of providing victims with the most immediate relief they need.<sup>38</sup>

## II. BACKGROUND

Every state has civil protection systems for those experiencing domestic abuse.<sup>39</sup> Judges may grant emergency injunctive relief

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30. Adams et al., *supra* note 25, at 1335.

31. *See infra* Section II.C.

32. *See infra* Part III.

33. *See infra* Part IV. In 2021, Colorado made legislative findings “that economic abuse occurs in ninety-nine percent of all instances of intimate partner violence, leaving survivors with little to no income, no access to cash or bank accounts, fraudulent or coerced debt in their names, and damaged financial profiles.” S.B. 21-292, 73d Leg., Reg. Sess., at 2 (Colo. 2021). However, these legislative findings have yet to result in legal relief for those experiencing coerced debt.

34. *See infra* notes 101, 110–14 and accompanying text.

35. *See infra* Part II.

36. *See infra* Part III.

37. *See infra* Part IV.

38. *See infra* Section IV.E.

39. Baker, *supra* note 17, at 35. Civil protection statutes offering remedies for those vulnerable to domestic abuse have existed in every state since 1992. *Id.* at 38, 51.

through these laws, which can extract a victim from a dangerous situation and avert subsequent abuse.<sup>40</sup> Therefore, the definition of “abuse” is of paramount importance because a judge must find that abuse has either occurred or is likely to occur to issue a protection order.<sup>41</sup> While most states’ definitions of abuse focus on physical abuse,<sup>42</sup> domestic abuse also emerges when there is “a disproportionate and imbalanced demand for power and control in an intimate relationship.”<sup>43</sup> Legislators can design laws to alleviate the burdens on those experiencing harm—beyond physical harm<sup>44</sup>—that results from domestic abuse.<sup>45</sup>

There is a crucial difference between situational violence and violence used to gain control over a partner.<sup>46</sup> Situational domestic violence arises when couples solve problems using violence, whereas control-based domestic violence occurs when an abusive partner uses violence to impair their partner’s autonomy.<sup>47</sup> For an abusive partner

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These statutes normally provide standing to spouses, cohabitating couples, couples with biological children, and others. *Id.* at 35, 40.

40. *Id.* at 35.

41. *Id.*

42. *Id.*

43. *Id.* By focusing on physical violence, “these statutes do not address the root cause of the problem.” *Id.* The root of the problem “is a dangerous, coercive imbalance of power and control within the intimate relationship” which “creates an escalating cycle of abuse and violence, typically increasing in frequency and severity over time to maintain and enforce control.” *Id.* at 44. To the victim, “domestic abuse is a continuous pattern of coercive and controlling behavior inflicting a range of harms in addition to physical injury” and “violence is but one means of coercing responses from a victim.” *Id.* at 45, 47.

44. Margaret E. Johnson, *Redefining Harm, Reimagining Remedies, and Reclaiming Domestic Violence Law*, 42 U.C. DAVIS L. REV. 1107, 1107 (2009).

45. Baker, *supra* note 17, at 65 (“Before an abusive relationship escalates into violence, the abuser typically has deployed coercive tactics to deny his victim autonomy, independence, and capital in the relationship.”). An “abuser exerts coercive control over his victims, not by threatening or perpetrating violence, but by threatening untenable, albeit often lawful, consequences” if the victim does not do what the abuser wishes. *Id.* at 60. Thereby, abusers distort victims’ perceived choices, depriving them of their liberty and volition. *Id.* at 47–48. The victim is coerced because there is a credible threat that there will be consequences for failure to comply with the abuser’s demand. *Id.* at 49–50; *see also* Mary Ann Dutton & Lisa A. Goodman, *Coercion in Intimate Partner Violence: Toward a New Conceptualization*, 52 SEX ROLES 743, 745, 748 (2005). It is thus a challenge for people outside of the relationship to identify which actions are voluntary compromises ordinary in healthy bargaining versus which are abusive threats that create oppressive coercion. Baker, *supra* note 17, at 60.

46. Littwin, *Coerced Debt*, *supra* note 14, at 973.

47. *Id.*

to exercise coercive control,<sup>48</sup> structural abuse accompanies the violence.<sup>49</sup> This structural abuse includes denying access to transportation, isolating from friends and family, and establishing strict rules that “microregulate” behavior.<sup>50</sup> This abuse limits agency by restricting interaction with the outside world while frustrating efforts to preserve identity.<sup>51</sup> When there is coercive control, coerced debt can thrive.<sup>52</sup> The intimidation that underlies control-based violent relationships creates an environment in which the partner experiencing abuse has a decreased ability to prevent nonconsensual financial transactions.<sup>53</sup>

Coerced debt often manifests in relationships where the abuser laid a groundwork for financial control<sup>54</sup> and cut off the victim’s access to information concerning their finances.<sup>55</sup> Abusers establish financial control in three nonexclusive ways.<sup>56</sup> The abuser will (1) revoke the victim’s access to their bank account, (2) demand that the victim relinquish most or all income to the abuser, or (3) place the victim on a prohibitively restrictive budget or allowance.<sup>57</sup> By impeding the victim’s ability to learn how the financial world or the family’s finances work, the abuser gains financial control.<sup>58</sup> An abuser’s interference with the victim’s knowledge of the true state of the couple’s finances constitutes the bedrock of coerced debt.<sup>59</sup>

Coerced debt results when, for example, an abuser secretly takes out a credit card in the victim’s name, coerces the victim into signing a loan document, or tricks the victim into ceding their rights to shared property.<sup>60</sup> Though abusers employ different tactics to obtain credit, the result is damaged credit ratings for the victim.<sup>61</sup> To find solutions

48. *Id.* at 974 (“[C]oercive control originates with one partner, occurs more frequently, and is more likely to result in injury.”).

49. *Id.*

50. *Id.*

51. *Id.* Simply leaving is “dangerous and frequently ineffective.” *Id.* at 977 (citing studies finding that more than half of assaults transpire after separation).

52. *Id.* at 973.

53. *Id.* at 978.

54. *Id.* at 981. A victim of coerced debt is two-and-a-half times more likely to experience financial dependence. Adams et al., *supra* note 25, at 1335.

55. Littwin, *Coerced Debt*, *supra* note 14, at 982.

56. *Id.*

57. *Id.*

58. *Id.*

59. *Id.* at 986.

60. See Littwin, *Escaping Battered Credit*, *supra* note 15, at 363. The top sources of coerced debt are medical, utility, and credit card. VONDELINDE ET AL., *supra* note 15, at 8.

61. See Littwin, *Escaping Battered Credit*, *supra* note 15, at 363.



to coerced debt, it is essential to understand abusers' means of coercing debt,<sup>62</sup> the ways victims discover the debt,<sup>63</sup> and the lasting consequences of coerced debt.<sup>64</sup>

*A. Methods of Coercing Debt*

Coerced debt may result from fraud, force, misinformation, or other means.<sup>65</sup> It is difficult for outsiders—including family, friends, creditors, and judges—to discern between fraudulent transactions and transactions procured via duress because of the pervasive intimidation and control exerted in abusive relationships involving coerced debt.<sup>66</sup> It is, however, necessary to discern between fraud and duress because the legal recourses and remedies differ.

1. Fraud

Coerced debt procured by fraud is a form of identity theft, which is itself a crime.<sup>67</sup> Abusers may fraudulently impersonate or forge their partner's signature to obtain lines of credit in the victim's name.<sup>68</sup> Intimate partners often have access to the information that banks and credit unions issuing credit cards seek (e.g. date of birth, social security number, and photo identification) but are not easily screened out by issuers' identity theft prevention mechanisms.<sup>69</sup>

Credit cards are cheap and easy to obtain and are the most common credit product for accruing coerced debt<sup>70</sup> because anyone can apply for a credit card online, by mail, in person, or over the phone. Individuals can apply for many credit cards via the internet, but even without internet access, an abuser may simply activate an offer in their partner's name if a credit card offer arrives in the partner's mailbox.<sup>71</sup> When applying for a credit card in person, it is uncommon for financial institution employees to closely examine photo identification, and abusers thereby can impersonate their victims.<sup>72</sup> In same-sex relationships, an abuser may go to the bank with their

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62. See discussion *infra* Section II.A.

63. See discussion *infra* Section II.B.

64. See discussion *infra* Section II.C.

65. Littwin, *Coerced Debt*, *supra* note 14, at 986–91.

66. *Id.* at 954.

67. See discussion *infra* Section III.B.

68. Littwin, *Coerced Debt*, *supra* note 14, at 986–89.

69. *Id.* at 987–88.

70. *Id.*

71. *Id.* at 988.

72. See *id.*

partner's passport or driver's license to impersonate their victim.<sup>73</sup> In heterosexual relationships, an abuser may bring an impersonator who is the same gender as the victim to sign documents as their significant other.<sup>74</sup> Further, abusers can employ the same tactics over the telephone, and customer service representatives often do not question a voice of the same gender.<sup>75</sup>

Beyond obtaining lines of credit in their partner's name, abusers may acquire credit cards using their children's names and information.<sup>76</sup> If the couple ultimately divorces, the partner who gains custody of the children also assumes the children's debt obligations.<sup>77</sup>

In a non-abusive relationship, if one partner suspects or discovers debt they did not consent to accrue, they would likely confront their partner.<sup>78</sup> However, if someone experiencing abuse becomes suspicious or uncovers such debt, confronting their abuser carries the risk of harm.<sup>79</sup> Victims' credit is damaged when bills are unpaid.<sup>80</sup>

## 2. Force and Duress

Forcing someone to incur coerced debt can result from more direct means, such as coercing a victim to purchase things for their abuser on credit.<sup>81</sup> However, an abuser may also force their victim to sign a financial document for a car, a home, a credit card, or other line of credit by threatening that the victim would be ill-advised to question the transaction.<sup>82</sup> Rather than directly applying force, the intimidation harbors a threat of negative consequences<sup>83</sup> when the abuser has created an environment where questioning or refusing a demand is dangerous.<sup>84</sup> As illustrated by a 2020 study of crisis hotline callers,

[a] coercive transaction was reported by 43% of the total sample and 87% of the callers who reported either type of

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73. *See id.* While there, the abuser may steal their victim's funds, change their information, or alter their access settings. *Id.*

74. *See id.*

75. *Id.*

76. *Id.*

77. *Id.*

78. Adams et al., *supra* note 25, at 1325.

79. *Id.*

80. *Id.* at 1326.

81. Littwin, *Coerced Debt*, *supra* note 14, at 990.

82. *Id.* at 989; *see also* Baker, *supra* note 17, at 60 (noting that it is difficult for outsiders to see the coercive undercurrent inside an abusive relationship).

83. Littwin, *Coerced Debt*, *supra* note 14, at 989.

84. Adams et al., *supra* note 25, at 1325.

coerced debt. When asked what they thought would happen if they did not comply with their partner's request to take out a loan or buy something on credit, most of the respondents (66%) who disclosed a consequence described fearing psychological consequences, such as name calling, yelling and screaming, or threatening to end the relationship. Over a third (38%) of participants who disclosed a consequence cited fear of physical consequences for saying "no," including being beaten or killed. Ten percent (10%) explained that they feared some form of economic consequence, such as job, money, or property loss, if they did not do as their partner wished.<sup>85</sup>

The abuser is not genuinely asking their partner to take out a credit card, buy an item on credit, assume responsibility for a lease or utility, or sign a loan.<sup>86</sup> The victim must do as their abuser desires or risk harm.<sup>87</sup> Thus, the victim's decision is made under duress and is not the product of free choice.

### 3. Misinformation and Other Means

Abusers can accumulate coerced debt in the victim's name by simple methods such as stealing a partner's credit card from their wallet, taking cash they saved to pay bills, or damaging rented property that can no longer be returned.<sup>88</sup> Utility debt is another form of coerced debt that is easy to effectuate.<sup>89</sup> An abuser might place the couple's utilities in the victim's name and depart without paying the bill or, conversely, if the victim leaves them, the abuser may refuse to remove the victim's name from the utility account.<sup>90</sup>

Frequently, an abuser will persuade their partner that—either because the abuser's credit record was bad or to keep the abuser's credit good—it makes sense for the couple to place their debts under the victim's name.<sup>91</sup> If the abuser has no credit, the couple will buy everything on the victim's credit cards, and the bills go unpaid when the abuser fails to pay or prevents the victim from accessing money

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85. *Id.* at 1330–31.

86. *See id.* at 1325.

87. *Id.*

88. Littwin, *Coerced Debt*, *supra* note 14, at 991.

89. *Id.*

90. *Id.*

91. *Id.* at 990. Many victims arrived in lawyers' offices with all the partners' debts in the victim's name and all assets in the abuser's name. *Id.* at 993.

to pay their bills.<sup>92</sup> For some cases involving married couples, an abuser will take out credit in their own name, knowing their partner will also be liable for the debt.<sup>93</sup> In other situations, the victim consents to using their credit card for a particular transaction, but is unaware the abusive partner continues to use their card.<sup>94</sup> Despite initial permission, coerced debt results when abusers spend beyond the permitted scope.<sup>95</sup>

Another way that abusers coerce debt is by creating situations that compel victims to sign financial documents without knowing their contents.<sup>96</sup> For English-speaking victims, abusers might coerce debt by not giving the individual enough time to read the loan document.<sup>97</sup> In cases where the victim does not speak English, they may sign the document without understanding it or their abuser may give an incorrect translation of the terms.<sup>98</sup> Courts often rely solely on the presence of the victim's signature instead of evaluating any fraud or coercion that culminated in the victim putting pen to paper.<sup>99</sup> Judges are inclined to define consideration broadly in these cases because the nature and circumstances that result in the signature make it difficult to confidently issue a clear ruling based on the evidence presented.<sup>100</sup> Even when the victim is the only one making payments, they often cannot gain control of the assets.<sup>101</sup>

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92. *Id.* at 990.

93. *Id.* at 991.

94. *Id.* at 990.

95. *Id.*

96. *Id.*

97. *Id.* This is known as “blind signing.” *Id.*

98. *Id.*

99. *Id.* at 993.

100. *Id.* Pragmatically, it is difficult to prove that debt in one's name is not their own or, in long-term partnerships or marriages, that the partners did not come to the mutual agreement that one of them would manage all their money. Jean Lee, *Debt Inaccessible Accounts. Job Sabotage. Domestic Violence Survivors Often Suffer Economic Abuse, Too*, THE 19TH (Aug. 10, 2021, 1:32 PM), <https://19thnews.org/2021/08/domestic-violence-survivors-often-suffer-economic-abuse-too/> [<https://perma.cc/HM7F-5KCL>].

101. Littwin, *Coerced Debt*, *supra* note 14, at 994. Therefore, remedies do not allow a debtor to “enjoy a windfall.” *Contra* Keith Paul Bishop, *New Law Seeks to Curtail Coerced Debts*, THE NAT'L L. REV. (Dec. 13, 2022), <https://www.natlawreview.com/article/new-law-seeks-to-curtail-coerced-debts> [<https://perma.cc/WR3X-ZPV9>] (discussing California's new coerced debt law). This language suggests that a victim of coerced debt comes into money or assets. *Windfall*, BLACK'S LAW DICTIONARY (11th ed. 2019). Rather than coming into money or assets, however, these remedies relieve an individual with coerced debt from the burden of paying off an asset they may never see, let alone enjoy.

*B. Discovery of Coerced Debt*

Victims with debt coerced by duress are aware of the debt accumulating in their names. However, when an abuser creates coerced debt via fraud, victims often do not realize that debt accumulated in their names without their consent until too much time passes to adequately resolve the situation.<sup>102</sup> A 2020 study found that victims with coerced debt often first learn of the debt via bills in the mail.<sup>103</sup> Frequently, victims learn of debt fraudulently accruing in their names when they seek safe housing after leaving the relationship and they are denied rental housing.<sup>104</sup> Many discover coerced debt when collections activity commences against them or because they are sued by lenders seeking to recoup.<sup>105</sup>

*C. Consequences of Coerced Debt*

Coerced debt is a harm that can accumulate for years after leaving an abusive relationship.<sup>106</sup> As succinctly summarized by Professor Lauren Johnson: “on one end, you can have no money, and on another end, you could owe tons of money.”<sup>107</sup> Even when broken up, no matter how far apart they live, the abuser “could still be running up money” under the name and accounts of their former partner.<sup>108</sup> With coerced debt, not only does a victim’s overall debt burden increase, but studies show that abusers engage in a spectrum of actions and behaviors that make it difficult for a victim to repay that debt.<sup>109</sup>

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102. Littwin, *Coerced Debt*, *supra* note 14, at 997. When debt originated fraudulently, a lack of knowledge was more common. *Id.* Whereas when the debt originated by force, the victim was only under duress during a key point of the transaction. *Id.* Victims knew they signed something in that key moment; but after that key point, debt accumulated without the victim’s awareness. *Id.*

103. Adams et al., *supra* note 25, at 1334. Abusers may also exercise control by possessing the only key to the mailbox; preventing access to mail is another way of further isolating the victim from information. *See* Littwin, *Coerced Debt*, *supra* note 14, at 998.

104. Littwin, *Coerced Debt*, *supra* note 14, at 998.

105. Adams et al., *supra* note 25, at 1334; *see* Littwin, *Coerced Debt*, *supra* note 14, at 998.

106. Lee, *supra* note 100.

107. *Id.*

108. *Id.*

109. Adams et al., *supra* note 25, at 1335. Strategies employed by abusers to entrap their victims “like destroying someone’s credit, accumulating debt, or harassing a partner at work to get them fired” may continue even when someone escapes an abusive relationship. Lee, *supra* note 100.

Coerced debt is one of many factors that a victim weighs when deciding whether to leave an abuser.<sup>110</sup> However, it can be a significant barrier to leaving an abuser because the victim may lack the financial resources to secure a new home or establish financial independence, and credit scores impact hiring decisions as well as access to housing, phone services, and utilities.<sup>111</sup> A victim's inability to establish an independent, financially viable life also increases the likelihood that they will return to their abuser.<sup>112</sup> When a victim leaves their abuser with damaged credit and little money, it is extremely difficult to begin a new, autonomous life.<sup>113</sup> Financial security and freedom of choice are pivotal for a victim to leave their abusive partner and establish a life separate from them.<sup>114</sup>

### III. LIMITED SOLUTIONS VIA ESTABLISHED SYSTEMS

Three major credit reporting agencies issue credit reports: Equifax, TransUnion, and Experian.<sup>115</sup> Rehabilitating an individual's credit report requires exhaustive personal advocacy.<sup>116</sup> Repairing credit in any circumstance is an arduous process that requires determined persistence.<sup>117</sup> Even when coerced debt is glaringly fraudulent, it is difficult to expunge.<sup>118</sup> Usually, when a victim or their advocate discloses the debt coercion, credit agencies do not find it relevant because traditional credit-repair processes administered by creditors and credit reporting agencies are not designed to protect against fraud by intimate partners.<sup>119</sup> This removes an easy and direct way of

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110. See *supra* notes 22–23 and accompanying text.

111. Adams et al., *supra* note 25, at 1326, 1335; Littwin, *Coerced Debt*, *supra* note 14, at 1000. Research consistently demonstrates that inadequate financial resources are a leading justification for remaining in an abusive relationship. Adams et al., *supra* note 25, at 1327.

112. Littwin, *Coerced Debt*, *supra* note 14, at 1000.

113. Adams et al., *supra* note 25, at 1327.

114. Lee, *supra* note 100.

115. *List of Consumer Reporting Companies*, CONSUMER FIN. PROT. BUREAU, <https://www.consumerfinance.gov/consumer-tools/credit-reports-and-scores/consumer-reporting-companies/companies-list/> [<https://perma.cc/3LXP-4B5R>].

116. Littwin, *Coerced Debt*, *supra* note 14, at 1003.

117. *Id.*

118. *Id.*

119. *Id.* at 1004; AMY DURRENCE ET AL., ASSET FUNDERS NETWORK, MAKING SAFETY AFFORDABLE: INTIMATE PARTNER VIOLENCE IS AN ASSET-BUILDING ISSUE 11 (2020), [https://assetfunders.org/wp-content/uploads/AFN\\_2020\\_MakingSafetyAffordable\\_SINGLE\\_9\\_22\\_2020.pdf](https://assetfunders.org/wp-content/uploads/AFN_2020_MakingSafetyAffordable_SINGLE_9_22_2020.pdf) [<https://perma.cc/VTY4-TXXP>]. Established credit repair systems are designed to relieve fraudulent debt accrued by strangers. *Id.*

resolving the problem without the legal system's interference.<sup>120</sup> Unfortunately, efforts to repair a coerced debt victim's credit are often ineffective.<sup>121</sup> Thus, legal system support is vital.<sup>122</sup>

Abusers who coerce debt by fraud may be held legally accountable for their actions via identity theft laws; however, it is more difficult to hold abusers who coerce debt by duress accountable because victims often do not contemporaneously gather evidence that can be admitted to prove duress.<sup>123</sup> This section explores remedies in consumer,<sup>124</sup> criminal,<sup>125</sup> tort,<sup>126</sup> and family law,<sup>127</sup> concluding that legal relief currently available to victims via established systems is insufficient.

#### A. Consumer Law Remedies

Consumer law remedies provide limited relief to victims who incur coerced debt because their abusers intimidated, harassed, deceived, used force against, threatened to use force against, or otherwise coerced them.<sup>128</sup> Credit reports are held out to be an "accurate testament to an individual's creditworthiness."<sup>129</sup> However, these reports contain errors, and the process for removing these errors does not include a method by which a victim of coerced debt can argue that an item on their credit report does not indicate future creditworthiness.<sup>130</sup> The credit reporting system is not well positioned to navigate the overlapping issues of debt and domestic violence.<sup>131</sup>

The federal Fair Credit Reporting Act (FCRA) regulates the credit reporting industry and provides victims with an avenue for credit repair, while the Fair and Accurate Credit Transactions Act establishes standard rules for calculating credit scores and limits entities' access to consumer credit reports.<sup>132</sup> The FCRA addresses

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120. See Littwin, *Coerced Debt*, *supra* note 14, at 1004.

121. *Id.* at 1003.

122. See *infra* Part IV.

123. See discussion *infra* Sections III.A–D; see discussion *infra* Part IV.

124. See discussion *infra* Section III.A.

125. See discussion *infra* Section III.B.

126. See discussion *infra* Section III.C.

127. See discussion *infra* Section III.D.

128. See *infra* notes 129–48 and accompanying text.

129. Littwin, *Coerced Debt*, *supra* note 14, at 1007; see also Littwin, *Escaping Battered Credit*, *supra* note 15, at 367.

130. Littwin, *Coerced Debt*, *supra* note 14, at 1007.

131. *Id.*

132. Megan E. Adams, Note, *Assuring Financial Stability for Survivors of Domestic Violence: A Judicial Remedy for Coerced Debt in New York's Family Courts*, 84

identity theft by providing a process by which identity theft victims can report the fraud to credit reporting agencies, which prompts the credit reporting agencies to report the fraud to the identity theft victims' financial institutions as well as the entity that furnished the information to the credit reporting agency.<sup>133</sup> When a consumer identifies that an item on their credit report is the result of identity theft, credit reporting agencies must block reporting of that item within four business days of receiving appropriate documentation, including an identity theft report.<sup>134</sup> The FCRA requires victims of identity theft to file relevant information with a law enforcement agency,<sup>135</sup> but this can be an issue for some victims who fear or are intimidated by going to the police.<sup>136</sup> Even with the FCRA, many claims of identity theft must overcome hurdles imposed by the credit reporting agencies' use of automated processes to resolve issues.<sup>137</sup> Victims often encounter resistance from credit bureaus and debt collectors even when they have a police report alleging identity theft.<sup>138</sup>

Often, coerced debt victims must retain attorneys who can craft valid, tailored defenses to debt collection lawsuits.<sup>139</sup> Where abusers

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BROOK. L. REV. 1387, 1402–03 (2019); 1 CHI CHI WU & ARIEL NELSON, THE CONSUMER LAW PRACTICE SERIES: FAIR CREDIT REPORTING 540 (Nat'l Consumer L. Ctr. 10th ed. 2022).

133. Adams et al., *supra* note 25, at 1338; 15 U.S.C. § 1681c–2(b).

134. 15 U.S.C. § 1681c–2(a). However, “to take advantage of the FCRA, victims must know to contact credit reporting agencies, and also know their rights under the FCRA. For those struggling to pay rent and bills, this information might be elusive.” Sara S. Greene, *Stealing (Identity) from the Poor*, 106 MINN. L. REV. 59, 93 (2021).

135. Littwin, *Escaping Battered Credit*, *supra* note 15, at 392 (discussing problems that arise in requiring a police report as a step to relief because both domestic violence and identity theft have a history of underreporting and neglect); DURRENCE ET AL., *supra* note 119 (revealing that “some officers refuse to complete police reports for fraud between intimate partners”); see also Michele Estrin Gilman, *Me, Myself, and My Digital Double: Extending Sara Greene’s Stealing (Identity) from the Poor to the Challenges of Identity Verification*, 106 MINN. L. REV. 301, 306–07 (2022) (“[E]ven when victims do report to police, they are often turned away, as many local police departments do not consider identity theft as a criminal matter within their jurisdiction.”).

136. See *Coerced Debt*, TEX. APPLESEED, <https://www.texasappleseed.org/coerced-debt> [<https://perma.cc/A8X5-XXEE>]. A National Domestic Violence Hotline study in 2015 revealed that “80% of survivors are afraid to call the police, 30% felt less safe after calling the police, and 24% who called the police in the past reported they would not do so again.” DURRENCE ET AL., *supra* note 119.

137. Littwin, *Escaping Battered Credit*, *supra* note 15, at 392.

138. *Coerced Debt*, *supra* note 136.

139. Carla Sanchez-Adams & Andrea Bopp Stark, *Advising Clients When an Abusive Partner Coerces Debt*, NAT'L CONSUMER L. CTR. (Aug. 10, 2022),



accrued debt via fraud, lawyers argue that their clients are not liable for accounts they neither opened nor used.<sup>140</sup> By contrast, where clients acted under duress, lawyers must persuasively argue that their clients are not liable for accounts that were forcefully opened and from which they did not benefit.<sup>141</sup> One argument is that coerced transactions are included in the Truth in Lending Act's (TILA) remedies for the unauthorized use of credit cards.<sup>142</sup> TILA limits consumers' liability when the unauthorized use of a credit card exceeds fifty dollars.<sup>143</sup> However, Congress drafted TILA to confront fraud, and thus coercion cases centered on duress face obstacles to success.<sup>144</sup>

Separate issues arise when a victim seeks a new line of credit but cannot attain it due to coerced debt on their credit record. The Equal Credit Opportunity Act (ECOA) prohibits organizations that regularly extend credit from discriminating against specified individuals, shields protected individuals from outright rejection of their credit applications, and constrains credit-extenders from charging a higher interest rate to these protected credit-seekers.<sup>145</sup> The ECOA can be interpreted to include coerced debt because creditors must consider "any information the applicant may present that tends to indicate the credit history being considered by the creditor does not accurately reflect the applicant's creditworthiness."<sup>146</sup> However, this is not a direct mandate that creditors relieve victims of coerced debt.

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<https://library.nclc.org/article/advising-clients-when-abusive-partner-coerces-debt> [https://perma.cc/S4JA-KYLT]. This itself can pose a problem because most people with low incomes cannot afford or access legal representation. LEGAL SERVS. CORP., *THE JUSTICE GAP: THE UNMET CIVIL LEGAL NEEDS OF LOW-INCOME AMERICANS* 44–45, 51–52, 66–67 (April 2022), <https://justicegap.lsc.gov/resource/section-4-seeking-and-receiving-legal-help/> [https://perma.cc/K36N-CCRD].

140. Sanchez-Adams & Stark, *supra* note 139.

141. *Id.*

142. Adams et al., *supra* note 25, at 1338. The Truth in Lending Act provides for criminal penalties if the person reporting the fraud has supplied false information. *See* 15 U.S.C. § 1693n(a).

143. 15 U.S.C. § 1643(a)(1)(B).

144. Adams et al., *supra* note 25, at 1338.

145. *Credit Discrimination*, FED. TRADE COMM'N CONSUMER ADVICE, (Jan. 2022), <https://consumer.ftc.gov/articles/credit-discrimination> [https://perma.cc/C7QZ-FBQ4].

146. 12 C.F.R. § 202.6 (2024); Littwin, *Escaping Battered Credit*, *supra* note 15, at 371–72, 403–05. There are calls to amend the Act to clarify that coerced debt is covered. *Id.* at 371. Amending the Act to clearly cover coerced debt would enable consumers nationwide to use the law. *Id.* at 372.

Therefore, while the FCRA provides some relief to victims of fraudulently coerced debt,<sup>147</sup> consumer law remedies do not provide consistent redress for debt coerced by duress because victims are not guaranteed that their credit scores will be fixed or that financial institutions will extend new lines of credit.<sup>148</sup>

### B. Criminal Law

Criminal law can impose punishment on coerced debt abusers for their actions, but does not provide imminent legal or financial relief to victims who acquired the coerced debt due to duress.<sup>149</sup> Coerced debt procured by fraud is a form of identity theft, and both federal and state laws provide remedies for identity theft.<sup>150</sup>

Congress passed the Identity Theft and Assumption Deterrence Act to criminalize identity theft.<sup>151</sup> If adjudged guilty, an abuser faces fines and imprisonment.<sup>152</sup> However, the Act neither imposes verification requirements prior to the issuance of credit nor does it assist a victim in rectifying their credit report with credit reporting agencies.<sup>153</sup> Further, it remains within a judge's discretion to order restitution even when identity theft is found,<sup>154</sup> and this discretion may lead to inconsistent outcomes for victims.

Almost every state has identity theft statutes that criminalize violators who obtain information relating to a victim's identity and use it to obtain credit or property without the victim's consent.<sup>155</sup> States, however, have insufficient resources to prosecute identity theft cases.<sup>156</sup> As such, in states where consumers cannot pursue an identity theft case on their own, only a small fraction of these thefts are prosecuted.<sup>157</sup> Some states have mandatory restitution for identity

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147. See *supra* notes 132–38, 141–45.

148. See *supra* notes 142–46.

149. See *infra* notes 150–62.

150. Adams et al., *supra* note 25, at 1338; see *infra* notes 151–60; see *infra* Section IV.A.

151. WU & NELSON, *supra* note 132, at 540 n.23.

152. 18 U.S.C. § 1028; see also *Identity Theft*, U.S. DEP'T OF JUST., <https://www.justice.gov/criminal-fraud/identity-theft/identity-theft-and-identity-fraud> [<https://perma.cc/B2DV-4K33>] (Aug. 11, 2023) (“This offense, in most circumstances, carries a maximum term of 15 years’ imprisonment, a fine, and criminal forfeiture of any personal property used or intended to be used to commit the offense.”).

153. WU & NELSON, *supra* note 132, at 558.

154. *Id.*

155. *Id.* at 559.

156. *Id.*

157. *Id.* Only eleven states provide consumers with a private cause of action against identity thieves. *Id.* at 559 n.357.

theft while others provide judges with discretion to order restitution.<sup>158</sup> Prosecutors can charge identity theft as a misdemeanor or a felony and, in some states, the decision to charge is based on the facts of the case.<sup>159</sup> The penalties are often fines, imprisonment, or both.<sup>160</sup>

Debt derived from duress is more difficult to ameliorate utilizing criminal statutes because, due to the victim's knowing involvement in the initiation of the line of credit, it is not recognized as an established crime, such as theft.<sup>161</sup> Federal law and most state laws do not provide relief under criminal law for debt stemming from duress or coercion within an abusive relationship.<sup>162</sup>

### C. Tort Damages as a Remedy

Victims can bring tort cases to alleviate imminent financial concerns and provide long-term financial safety and self-sufficiency, but such cases in the coerced debt context are unlikely to succeed and will not repair victims' credit.<sup>163</sup> Due to the variety of means abusers take to impose control over their victims, the range of possible tort cases—from invasion of privacy to fraudulent transfer or concealment—is varied.<sup>164</sup> Tort claims provide victims with monetary awards—compensatory, nominal, and punitive damages—related to the harm suffered.<sup>165</sup>

Damage awards in tort cases may compensate victims for debts incurred by the abuser and other economic losses—“such as personal property losses when an abuser has broken or sold the victim's property [or] income and future earning losses when the abuser has controlled employment or educational opportunities”—experienced during the relationship.<sup>166</sup> Though torts are not designed to compensate domestic violence victims for those losses, monetary

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158. *Id.* at 559.

159. *See, e.g.*, CAL. PENAL CODE § 530.5 (West 2023).

160. *See, e.g., id.*

161. Adams et al., *supra* note 25, at 1338. The FCRA authorizes criminal penalties if the person reporting the fraud has supplied false information. *See* Littwin, *Escaping Battered Credit*, *supra* note 15, at 392. This threat of criminal prosecution for fabricators gives credit reporting agencies and financial institutions assurance that the report is truthful and that their efforts to remedy the fraud will not be futile.

162. Adams et al., *supra* note 25, at 1338.

163. Camille Carey, *Domestic Violence Torts: Righting a Civil Wrong*, 62 U. KAN. L. REV. 695, 736 (2014).

164. Barbara J. Hart & Erika A. Sussman, *Civil Tort Suits and Economic Justice for Battered Women*, VICTIM ADVOC., Spring 2004, at 3, 6–7.

165. Carey, *supra* note 163, at 736–37.

166. *Id.* at 736.

awards can be especially important to coerced debt victims who encounter massive challenges disentangling their finances from their abuser.<sup>167</sup> Tort suits force abusers to take responsibility and account for the financial harms they caused.<sup>168</sup> However, in many instances, abusers do not have money or assets of their own, meaning that they will not be able to pay off a judgment entered against them.<sup>169</sup> Therefore, actual relief after a successful tort suit is not guaranteed.<sup>170</sup>

#### D. Family Law Remedies

When partners are married and going through a divorce,<sup>171</sup> the legal termination of the relationship would seem to provide an opportune time to address the coerced debt of one of the partners.<sup>172</sup> Yet even though divorce directly affects an individual's credit risk profile, family courts lack authority over credit repair.<sup>173</sup> While family law judges decide some of the most intimate details of lives,<sup>174</sup> they do not exert authority over the division of debt between family members.<sup>175</sup> This is because debt involves a third-party creditor and no procedure allows joinder of a family's creditors to divorce proceedings.<sup>176</sup> Instead, a majority of states have authority plainly to the contrary, stating that family courts are *not* authorized to alter divorcing partners' contracts with their creditors.<sup>177</sup> A judge can rule that the debt is attributable to the party responsible for its

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167. *Id.*

168. *Id.*; see also Adams, *supra* note 132, at 1406–07 (noting that while Colorado and New York have specific statutes that create tort claims for domestic violence harms, tort law is generally incompatible with domestic violence and victims are likely deterred from any civil litigation that necessitates ongoing interaction with their abuser).

169. Jennifer Wriggins, *Domestic Violence Torts*, 75 S. CAL. L. REV. 121, 124, 138 (2001).

170. *See id.*

171. Littwin, *Escaping Battered Credit*, *supra* note 15, at 368.

172. *Id.* (“Family courts examine a family’s finances in great detail, engaging in decisions that we think of as the province of bankruptcy and other financial courts.”).

173. Littwin, *Coerced Debt*, *supra* note 14, at 1006.

174. Littwin, *Escaping Battered Credit*, *supra* note 15, at 368 (noting that divorce courts will assign custody and, in some states, go so far as assigning fault).

175. Littwin, *Coerced Debt*, *supra* note 14, at 1006. Noting the distinction between creditors and other third parties with property rights, some states have laws that allow family courts to join the latter to a divorce proceeding. Adams et al., *supra* note 25, at 1339.

176. Littwin, *Coerced Debt*, *supra* note 14, at 1006.

177. Adams et al., *supra* note 25, at 1339.

accumulation, but that judgment would not bind the party's creditor which retains its rights to collect the debt.<sup>178</sup>

Thus, family courts are an imperfect avenue to remedy coerced debt even in cases where the parties are legally divorcing.<sup>179</sup> Even if courts had authority to adjust debts between partners, this power would be useless when an abuser has no assets.<sup>180</sup>

Due to these limitations, scholars posit that cross-training family and consumer lawyers is essential because each field develops unique strategies that can assist the other in obtaining relief for clients with coerced debt.<sup>181</sup> A leading scholar on coerced debt, Professor Angela Littwin, proposes to amend the FCRA to empower family court judges in every state to decide whether an alleged coerced debt was in fact coerced.<sup>182</sup> With the power of family courts behind the victim, the victim could submit the court's determination to the credit reporting agencies.<sup>183</sup> These agencies would then cease to report the coerced debt as long as those who rely on credit reports would not be unduly harmed by the lack of disclosure.<sup>184</sup> This path would enable the victim to offer employers, landlords, and others a credit report that better indicates their creditworthiness.<sup>185</sup>

Importantly, however, there are two limitations to this proposal. First, a family court approach would be limited to divorcing victims.<sup>186</sup> Second, a family court decision would not alter the victim's liability for the coerced debt.<sup>187</sup> In the decade since Professor Littwin's initial proposal, researchers have accumulated more information about the staggering number of coerced debt

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178. Littwin, *Coerced Debt*, *supra* note 14, at 1006. Even in a state where a family court can adjust divorcing parties' contracts with creditors and assign debt to an abuser, creditors still maintain the right to collect the debt from the victim because it is in their name. Adams et al., *supra* note 25, at 1339. Creditors can also still report the non-payment of this debt to credit reporting agencies. *Id.* There is no universal requirement for a family court judge's determination assigning blame for coerced debt to impact the decisions of potential creditors, landlords, or employers. Littwin, *Coerced Debt*, *supra* note 14, at 1007. While it does not constitute automatic relief in all states, a court order assigning the debt to one of the partners can be used in conjunction with new laws to provide relief from coerced debt. *See infra* Part IV.

179. *See supra* notes 173–78.

180. Adams et al., *supra* note 25, at 1339.

181. *Id.* at 1337–38.

182. Littwin, *Escaping Battered Credit*, *supra* note 15, at 365–66.

183. *Id.*

184. *Id.*

185. *Id.* at 365–67.

186. *Id.* at 365–66.

187. *Id.*

victims and the immense sums of debt accumulated by coercion.<sup>188</sup> Victims need a solution that will fix not only their credit reports, but also relieve their liability.<sup>189</sup>

#### IV. EMERGING STATE APPROACHES TO COERCED DEBT RELIEF

Five states recently enacted or expanded laws to directly address coerced debt.<sup>190</sup> First, Texas legislators added coerced debt to the crime of identity theft.<sup>191</sup> Next, Maine's Fair Credit Reporting Act added coerced debt as a form of economic abuse that credit reporting agencies must reinvestigate and, if a victim qualifies, cease to report.<sup>192</sup> In quick succession, three additional state legislatures recently addressed coerced debt with consumer approaches: New York added coercion to acts of identity theft that qualify for consumer remedies,<sup>193</sup> Minnesota struck a balance between victim relief and creditor needs,<sup>194</sup> and California enacted a coerced debt statute within its civil code.<sup>195</sup> While criminal law approaches seek to deter and punish abusers' behavior, consumer law statutes seek to repair victims' credit and to stop collections.<sup>196</sup> Consequently, consumer credit relief is the most direct path to allow a victim to establish a life separate from their abuser.<sup>197</sup>

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188. See *supra* notes 21, 25, 85 and accompanying text.

189. See *supra* notes 27–30, 106–09 and accompanying text.

190. See *infra* Sections IV.A–E. Also of note, landlords in Virginia who review a credit score “must consider a person’s status as a domestic abuse survivor” when reviewing a rental application. Martin D. Wegbreit, *Progress Interrupted: Virginia’s Hesitant Movement to Landlord-Tenant Reform*, 26 RICH. PUB. INT. L. REV. 217, 234 (2023). Virginia landlords must consider evidence that establishes a renter’s status as a victim of family abuse, which includes abuse by the victim’s spouse, in order to lessen the adverse impact of the low credit score. VA. CODE ANN. §§ 55.1-1203; 16.1-228 (West 2023). Though the law does not help victims who were not married to their abuser and does not comprehensively address coerced debt as the other laws in this section do, it is an important step that enables victims to leave their abusers.

191. See *infra* Section IV.A.

192. See *infra* Section IV.B.

193. See *infra* Section IV.C.

194. See *infra* Section IV.D.

195. See *infra* Section IV.E.

196. See discussion *infra* Sections IV.A–E.

197. See *supra* notes 28–29 and accompanying text.

A. *Texas's Identity Theft Law: Leading with a Criminal Law Solution*

Since September 1, 2019, Texas has deemed debts incurred via force, threat, or fraud to constitute the crime of identity theft.<sup>198</sup> That year, legislators amended the state's Penal Code to reflect that an identity thief is someone who obtains, possesses, transfers, or uses someone else's identifying information without their "consent or effective consent."<sup>199</sup> To be found guilty of identity theft, the defendant must intend to harm or defraud their victim.<sup>200</sup>

Texas's law directly addresses the issue of consent to determine whether debt is coerced.<sup>201</sup> "Effective consent" is defined as approval given by someone "legally authorized to act on behalf of another."<sup>202</sup> "Effective consent" does not include agreements "induced by force, threat, fraud, or coercion."<sup>203</sup> If debt is coerced without consent through identity theft, a victim may file a criminal complaint rather than wait for a state prosecutor to pursue their case.<sup>204</sup>

Legislators further amended Texas's laws in 2021 to ensure that victims of coerced debt can avail themselves of remedies under the state's Business and Commerce Code.<sup>205</sup> This allows victims to bring the facts relating to a particular debt to district court, where a judge can determine whether the individual is a victim of identity theft.<sup>206</sup> Thus, Texas's 2021 amendments provide an additional avenue for victims who are intimidated by or fearful of going to the police, allowing them to go to court instead to obtain the necessary documentation to repair their credit.<sup>207</sup>

After successfully arguing that an abusive partner engaged in coercive conduct, a victim may ask the court for an order declaring that specific debts are the result of identity theft.<sup>208</sup> Victims may then use court declarations to remove coerced debts from their credit

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198. See TEX. PENAL CODE ANN. § 32.51 (West 2023).

199. *Id.* § 32.51(b)(1).

200. *Id.*

201. TEX. BUS. & COM. CODE ANN. § 521.051(a) (West 2023).

202. *Id.* § 521.051(a)(a-1).

203. *Id.* § 521.051(a)(a-1)(1).

204. See *id.* § 521.051(a)(a-1). But see Emily M. Poor, *Disentangling the Civil-Carceral State: An Abolitionist Framework for the Non-Criminal Response to Intimate Partner Violence*, 47 N.Y.U. REV. L. & SOC. CHANGE 273, 335–36 (2023) (arguing against expansion of the carceral state, especially as legislatures craft remedies to address newly recognized problems like coerced debt).

205. *Coerced Debt*, *supra* note 136.

206. *Id.*

207. *Id.*

208. TEX. BUS. & COM. CODE ANN. §§ 521.101–521.103 (West 2023).

reports.<sup>209</sup> The victim can use both the criminal complaint and any resulting orders issued by the court as proof that they do not owe the debt.<sup>210</sup>

Texas's laws thereby provide legal recourse to victims of debt coerced by fraud and duress.<sup>211</sup> Although the state provides victims with documentation to submit to consumer reporting agencies, the burden is still on the victim to invest additional time navigating the onerously automated path of repairing their credit.<sup>212</sup> Texas's law makes great strides to provide relief for victims of coerced debt through criminal and consumer law, but it does not do enough to provide victims with immediate financial stability via credit that enables victims to leave their abusers.<sup>213</sup>

*B. Maine's Law: A Consumer Law Approach Confronting Credit Reporting Agencies*

Legislators amended Maine's Fair Credit Reporting Act in 2019 to address coerced debt.<sup>214</sup> The law states that consumer reporting agencies must reinvestigate the debt or any portion of a debt that is the result of economic abuse when a victim provides proper documentation to the consumer reporting agency.<sup>215</sup> Maine defines "economic abuse" as maintaining control over a victim's financial resources—including both the unauthorized and coerced use of credit and property—in order to make the victim financially dependent on their abuser.<sup>216</sup> Further, Maine defines "documentation" broadly to include "a copy of a restraining order, police report, a criminal complaint for domestic violence, or a statement signed by a Maine-based sexual assault counselor, health care provider, mental health care provider, or law enforcement officer."<sup>217</sup> If, after investigation, the consumer reporting agency determines that the debt resulted from economic abuse, then the agency must remove that debt from the victim's consumer credit report.<sup>218</sup> This debt will not be collectible.<sup>219</sup>

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209. *Coerced Debt*, *supra* note 136.

210. Sanchez-Adams & Stark, *supra* note 139.

211. *Id.*

212. *See supra* note 137 and accompanying text.

213. *See supra* notes 110–12 and accompanying text.

214. ME. REV. STAT. ANN. tit. 10, § 1310-H(2-A) (2024).

215. *Id.*

216. ME. REV. STAT. ANN. tit. 19-A, § 4102(5) (2024).

217. Sanchez-Adams & Stark, *supra* note 139.

218. ME. REV. STAT. ANN. tit. 10, § 1310-H(2-A) (2024).

219. ME. REV. STAT. ANN. tit. 32, § 11014(2-A) (2024).



However, laws like Maine's will face legal pushback from established interest groups, such as debt collectors, whose business models rely upon debt payment. The Consumer Data Industry Association challenged Maine's law in court arguing that the FCRA preempts state law.<sup>220</sup> The FCRA's general non-preemption provision has two exceptions under which the Act "does not annul, alter, affect, or exempt any person subject to [its] provisions . . . from complying with the laws of any State . . . ."<sup>221</sup> The first relevant exception is that no state law can promulgate requirements or prohibitions relating to "[a]ccounts placed for collection or charged to profit and loss" or "[a]ny other adverse item of information" that is older than seven years.<sup>222</sup> The FCRA's second exception prohibits state regulations that block credit reporting agencies from reporting alleged identity theft information because the FCRA gives consumers identity theft reporting protection when they provide the credit reporting agency with specific information, including a report.<sup>223</sup> Additionally, if a state law is inconsistent with the FCRA, then the FCRA only applies "to the extent of the inconsistency,"<sup>224</sup> meaning that a state law that goes further than the FCRA should still be complied with.<sup>225</sup>

On interlocutory appeal, the First Circuit held that the FCRA does not categorically preempt all state laws relating to information in consumer reports.<sup>226</sup> On remand, the U.S. District Court for the District of Maine decided whether the FCRA partially preempted Maine's law based on either of the Act's two exceptions.<sup>227</sup> Regarding the first exception, the court found that because Congress only intended to preempt state reporting regulations that are more than seven years stale, consumer reporting agencies can comply with Maine's law when the information at issue is less than seven years old "without fear that Maine has required them to do something that Congress has expressly foreclosed."<sup>228</sup> Regarding the second

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220. *Consumer Data Indus. Ass'n v. Frey*, 495 F. Supp. 3d 10, 13 (D. Me. 2020), *rev'd and vacated*, 26 F.4th (1st Cir. 2022).

221. 15 U.S.C. § 1681t(a).

222. *Id.* §§ 1681t(b), 1681c, 1681c(a)(4)–(5).

223. *Id.* §§ 1681t(b)(5)(C), 1681c-2(a)(2).

224. *Id.* § 1681t(a).

225. *But cf.* U.S. CONST. art. VI, cl. 2 (providing that federal law preempts state law to the extent that there is a conflict with a Congressional statute).

226. *Consumer Data Indus. Ass'n v. Frey*, 26 F.4th 1, 6 (1st Cir. 2022), *cert. denied*, 143 S. Ct. 777, 215 L. Ed. 2d 47 (2023).

227. *Consumer Data Indus. Ass'n v. Frey*, No. 1:19-CV-00438-LEW, 2024 WL 98437, at \*3–5 (D. Me. Jan. 9, 2024).

228. *Id.* at \*3.

exception, the court did not find “congressional intent to foreclose regulation of reporting activity associated with economic abuse as it is defined in Maine law.”<sup>229</sup> Imagining scenarios where a debt could be the product of both identity theft and economic abuse, the court held that when a debt “is the product of more than mere identity theft, compliance with both federal and state law may be appropriate . . . [and] should be examined on a case-by-case basis . . . .”<sup>230</sup> Therefore, Maine’s law is only partially preempted by the FCRA to the extent that the information is more than seven years old or the economic abuse exclusively derived from actions covered by federal identity theft regulations.<sup>231</sup> The Consumer Data Industry Association is appealing this latest district court decision to the First Circuit.<sup>232</sup>

Demonstrating the legislators’ understanding of the complexities surrounding coerced debt, Maine’s law provides broad definitions designed to encapsulate many victims’ experiences.<sup>233</sup> The law frees victims to focus on rebuilding their lives rather than fighting with creditors and credit reporting agencies by expanding the types of documentation allowed to challenge coerced debt.<sup>234</sup> The law also shifts the burden to credit reporting agencies to investigate the debt, remove coerced debt from credit reports, and notify debt collectors to cease activities.<sup>235</sup> Though currently ill-equipped,<sup>236</sup> credit reporting agencies are in the best position to assist victims because they are profitable companies that can hire additional employees and create better resources tailored to rectifying the credit scores of victims of coerced debt. Laws such as Maine’s can prompt this assistance. Nonetheless, as demonstrated by the winding case history of *Consumer Data Industry Association v. Frey*,<sup>237</sup> state consumer laws to remedy coerced debt will be litigated. Should the First Circuit find that the FCRA preempts Maine’s law, Congress should amend the FCRA to provide uniform, nationwide remedies for victims of coerced debt.

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229. *Id.* at \*5.

230. *Id.*

231. *Id.*

232. *Consumer Data Industry Association v. Aaron Frey, et al.*, PACERMONITOR, [https://www.pacermonitor.com/public/case/52382222/Consumer\\_Data\\_Industry\\_Association\\_v\\_Aaron\\_Frey\\_et\\_al](https://www.pacermonitor.com/public/case/52382222/Consumer_Data_Industry_Association_v_Aaron_Frey_et_al) [<https://perma.cc/NR3H-CLAB>].

233. *See supra* note 216.

234. ME. REV. STAT. ANN. tit. 10, § 1310-H(2-A) (2024); ME. REV. STAT. ANN. tit. 14, § 6001(6)(H) (2024).

235. ME. REV. STAT. ANN. tit. 10, § 1310-H(2-A) (2024).

236. *See* Littwin, *Coerced Debt*, *supra* note 14, at 1007.

237. *See supra* notes 220–32.

C. *New York's Identity Theft Law: A Consumer Law Approach to Coerced Debt*

New York amended its own statute on debt collection procedures in 2022, codifying coerced debt as one type of identity theft for the purpose of alleviating debt collection activities.<sup>238</sup> The law requires financial institutions to accept law enforcement or Federal Trade Commission (FTC) identity theft reports as documentation of identity theft.<sup>239</sup> When a creditor receives either type of report in combination with the debtor's written statement that they are an identity theft victim, the creditor must begin an investigation and collection activities must stop until a review has been completed.<sup>240</sup> The law assists victims of coerced debt because the victim can fulfill the written statement requirement with "an express statement that the debtor was coerced to authorize the use of the debtor's name or personal information for incurring the debt" to trigger collection cessation and review.<sup>241</sup>

New York's law simply provides an avenue for ceasing debt collection activities without directly helping victims remove coerced debt from their credit reports. Further, the law does not clearly state what types of coercion it covers.<sup>242</sup> Neither the law nor the available legislative history define the word "coercion;" however, the statement in support of the bill notes that not only is identity theft perpetrated by strangers, but identity theft also can occur as a result of domestic violence.<sup>243</sup> This indicates that the amendment is not exclusively applicable to fraud, but also extends to debt incurred via duress.<sup>244</sup> However, this definition will likely be litigated in the future. In addition to aiding victims, coerced debt laws should be easily accessible and clear so that victims who are contemplating leaving their abuser feel secure in the knowledge that resources to establish stable financial footing outside the relationship will be available.<sup>245</sup>

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238. N.Y. GEN. BUS. LAW § 604-a (McKinney 2023).

239. *Id.* § 604-a(1); ADITI BHATTACHARYA ET AL., REINVESTING IN ECONOMIC JUSTICE, EQUITY, AND SOLIDARITY FOR SURVIVORS IN NEW YORK CITY 23–24 (2022), [https://avp.org/wp-content/uploads/2022/10/NYC-Survivor-Economic-Equity-Platform\\_FINAL-3.pdf](https://avp.org/wp-content/uploads/2022/10/NYC-Survivor-Economic-Equity-Platform_FINAL-3.pdf) [<https://perma.cc/895F-KURD>].

240. N.Y. GEN. BUS. LAW § 604-a(1)(c) (McKinney 2023).

241. *Id.* § 604-a(2)(b)(xi).

242. *See id.*

243. S.B. S9359, 2021–2022 Leg. Sess. (N.Y. 2022), <https://www.nysenate.gov/legislation/bills/2021/s9359> [<https://perma.cc/43ZL-6T3S>].

244. *See id.*

245. *See supra* notes 22, 24 and accompanying text.

*D. Minnesota's Consumer Law: Providing Both Debtor and Creditor Remedies*

On January 1, 2024, Minnesota's consumer protection law was expanded to prohibit an abuser from causing their victim to incur a coerced debt.<sup>246</sup> Minnesota defines coerced debt to include debt that has accrued because another person (1) used the victim's personal information without their "knowledge, authorization, or consent," (2) used or threatened "force, intimidation, undue influence, harassment, fraud, deception, coercion," or similar techniques against the victim, or (3) perpetrated economic abuse against the victim.<sup>247</sup> However, the statute explicitly carves out secured debts.<sup>248</sup>

Minnesota's broad definition of coerced debt addresses debt compelled by fraud and duress.<sup>249</sup> The victim of coerced debt must notify their creditor or creditors that the debt was coerced.<sup>250</sup> This notification must include a request that the creditor halt collection of the coerced debt and must include documentation, such as a police report, an FTC identify theft report, an order in a dissolution proceeding, or a sworn written certification which identifies the coerced debt and describes the circumstances under which it resulted.<sup>251</sup> A creditor claiming a right to collect the debt must notify the victim within thirty days if the creditor decides to "immediately cease all collection activity or continue to pursue collection."<sup>252</sup> This is not a final determination, however. A creditor may subsequently decide to collect on the debt, as long as they provide the victim with ten days' notice.<sup>253</sup> Additionally, the creditor may still sell or assign the debt, provided they include a notification that the victim "has asserted the debt is coerced debt."<sup>254</sup>

If the creditor fails to take this legally required action, the victim may petition a state district court for a declaration and injunction to receive relief.<sup>255</sup> Importantly, the law provides procedures, such as sealing the case file, that the court can employ to keep the victim, the

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246. MINN. STAT. ANN. § 332.72 (West 2024).

247. *Id.* § 332.71.2(a).

248. *Id.* § 332.71.2(b).

249. *Id.* § 332.71.2(a)(1)–(2).

250. *Id.* § 332.73.1(a). The notification, request, and documentation must be sent by certified mail. *Id.*

251. *Id.*; *id.* § 332.71.5.

252. *Id.* § 332.73.1(a); *id.* § 332.71.3.

253. *Id.* § 332.73.1(b).

254. *Id.* § 332.73.2.

255. *Id.* § 332.74.1.

victim's relatives, and the family pets safe.<sup>256</sup> If the petition succeeds, the victim receives a declaratory judgment stating "that the debt or portion of a debt is coerced," an injunction that prohibits the creditor from enforcing or holding the victim liable for that debt, and an order that dismisses any cases the creditor brought against the victim to collect the coerced debt.<sup>257</sup>

Pivotaly, the law then allows creditors to seek payment from the abuser who coerced the victim to incur the debt.<sup>258</sup> After a successful petition for relief, the court must issue a judgment against the abuser in the amount of the coerced debt, which allows the creditor to collect the owed funds from the abuser instead of the victim.<sup>259</sup> Though not explicitly stated, the law allows a creditor to recover from an abuser upon sending a letter to the victim stating that the creditor will cease collection activity against the victim.<sup>260</sup>

Minnesota's law empowers both victims and creditors. The legal avenue for a creditor to commence collection activities directly against an abuser is an important mechanism for creditors, who can recoup money owed, as well as victims, who will no longer be on the hook to pay back the sums they did not choose to accrue.<sup>261</sup> A downside to the law is that it does not require the creditor to stop collection activity during the thirty-day investigation period.<sup>262</sup> While the accrual of interest during this period will affect the abuser if the victim's petition for relief is successful, the law does not provide the victim with the relief necessary to find housing and employment that allows the victim to remain separate from their abuser during the thirty-day period.<sup>263</sup> Finally, the law does not require credit reporting agencies to remove the coerced debt from the victim's credit report<sup>264</sup> and therefore does not do enough to assist victims of coerced debt.

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256. *Id.* § 332.74.2.

257. *Id.* § 332.74.3(a).

258. *Id.* § 332.75.

259. *Id.* § 332.74.3(b).

260. Compare *id.* § 332.73(a) with *id.* § 332.75 ("Nothing in sections 332.71 to 332.74 diminishes the rights of a creditor to seek payment recovery for a coerced debt from the person who caused the debtor to incur the coerced debt.")

261. See *id.* § 332.75.

262. *C.f. id.* § 332.73.1(c) (providing that the victim may not pursue any debtor's remedies until the expiration of the thirty-day period); *id.* § 332.74.6 (stating that the creditor may not file a collection action regarding an alleged coerced debt that is subject to the debtor's relief proceeding and, if a case was already filed, it is stayed pending the disposition of the debtor's relief proceeding).

263. See *supra* notes 25–30.

264. See *supra* notes 116–21 and accompanying text.

*E. California's Consumer Law: Directly Tackling Coerced Debt*

As of January 2022, when a domestic violence victim seeks a restraining order in California, they can ask the court to find that specific debts were obtained by identity theft or intimidation.<sup>265</sup> Upon such a finding, the judge must include this information in the restraining order, which then provides evidence for the victim to dispute the debt.<sup>266</sup>

Building on this relief, California's coerced debt law became effective January 1, 2023.<sup>267</sup> California's statute defines coerced debt as money owed to others that was incurred by an abuser "for personal, family, or household use . . . as a result of duress, intimidation, threat of force, force, fraud, or undue influence" on a victim.<sup>268</sup> An abuser who causes their victim to acquire coerced debt is civilly liable to the victim for the debt or a portion of the debt.<sup>269</sup> The court determines the allocation of coerced debt and may also assign a victim's costs and attorney's fees to the abuser.<sup>270</sup>

Until their review is completed, creditors<sup>271</sup> must stop collection activities once they receive both (1) sufficient documentation and (2) a sworn certification from the debtor in writing that either the debt or a portion of the debt was coerced.<sup>272</sup> Adequate documentation must not only identify that the entire debt or a portion of the debt was coerced but also explain how the debt was coerced.<sup>273</sup> Adequate documentation includes a police report, an FTC identity theft report that flags the debt as coerced, certain ex parte court orders that relate to domestic violence, or "[a] sworn written certification from a qualified third-party professional based on information they received while acting in a professional capacity."<sup>274</sup> In the written, sworn

265. Sanchez-Adams & Stark, *supra* note 139; see CAL. FAM. CODE § 6342.5 (West 2023).

266. Sanchez-Adams & Stark, *supra* note 139.

267. See CAL. CIV. CODE §§ 1798.97.1–6 (West 2023).

268. *Id.* § 1798.97.1(d).

269. *Id.* § 1798.97.2(a).

270. *Id.*

271. Though California's statute prohibits all "claimants"—including debt collectors and debt buyers—from collecting, the term "creditors" is used herein for consistency. See *id.* §§ 1798.97.1(c)(1), .2(b).

272. *Id.* § 1798.97.2(b).

273. *Id.* § 1798.97.1(a).

274. *Id.* § 1798.97.1(a)(1)–(4). See also CAL. FAM. CODE § 6340 (West 2023) (identifying the ex parte orders available to those who have experienced domestic violence); CAL. WELF. & INST. CODE § 213.5 (West 2023) (describing the ex parte and restraining orders available to a dependent child of the court or a ward of the juvenile court); *id.* § 15657.03 (authorizing protective orders for elder and dependent adults who have suffered abuse).

certification, the debtor must declare under penalty of perjury that the material facts submitted to the creditors are true.<sup>275</sup> Relevant items accompany this certification, including, for example, an express statement that the victim did not consensually agree to use their name or personal information to incur the debt, a statement identifying the coerced portions of the debt, and the identity of the abuser as well as their contact information, if known.<sup>276</sup> However, the victim can sign a sworn statement if revealing the abuser's identity is likely to initiate abuse against the victim or an immediate family member.<sup>277</sup> When available, a victim should also supply specific facts evidencing the coercion.<sup>278</sup>

California's statute then shifts the burden to creditors.<sup>279</sup> The statute requires creditors to issue a written notice to a victim seeking to take advantage of the law if the creditor requires additional information because the debtor did not meet the statutory requirements.<sup>280</sup> If the creditor provides unfavorable information to a consumer credit reporting agency, they must notify the reporting agencies that the debt is disputed.<sup>281</sup> Creditors must act within ten business days of receiving both the adequate documentation and the debtor's sworn written certification that the debt was coerced.<sup>282</sup> The creditor must review the debt, considering all the information provided by the victim, and cannot resume collection activities until the victim is notified in writing that the creditor determined in good faith that the debt was not coerced.<sup>283</sup>

Regardless of whether a creditor decides to stop or restart collection activities after the review, the law does not presume the debt is valid or invalid, or that the victim is liable or not liable for the debt.<sup>284</sup> However, a creditor that stops collecting permanently for these reasons must, within ten days, notify the consumer credit reporting agencies to which it reported the debt to delete their information concerning the coerced debt from the victim's record.<sup>285</sup>

Should the victim need to go beyond this review process to prove that the debt was coerced, a victim can either bring an action against

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275. See CAL. CIV. CODE § 1798.97.1(j)(1)(C), (F) (West 2023).

276. *Id.*

277. *Id.* § 1798.97.1(j)(1)(F).

278. *Id.* § 1798.97.1(j)(1)(C).

279. *Id.* § 1798.97.2(c).

280. *Id.* If this happens, the creditor may continue collection activities. *Id.*

281. *Id.* § 1798.97.2(d)(1).

282. *Id.*

283. *Id.* § 1798.97.2(d)(2)–(4).

284. *Id.* § 1798.97.2(e).

285. *Id.* § 1798.97.2(g)(1).

a creditor or file a cross-complaint against a creditor who initiated a suit against the victim.<sup>286</sup> If proven by a preponderance of the evidence that the debt was coerced, relief for the debtor includes a declaratory judgment, an injunction, and an order dismissing the creditor's cause of action to collect the identified coerced debt.<sup>287</sup> In such a case, the judge must issue an order against the abuser who coerced the victim into incurring the debt if the abuser can be joined as a party to the case and brought within the court's jurisdiction.<sup>288</sup> This standing allows courts to hold abusers accountable.

Recognizing that unscrupulous debtors may attempt to use the statute to weasel out of paying their own non-coerced debts, the statute provides that anyone who knowingly files a false motion or pleading is liable for the creditor's attorney's fees and costs incurred defending the lawsuit.<sup>289</sup>

California's comprehensive law addressing coerced debt simultaneously relieves victims from the burden of methodically reporting and repairing their credit while galvanizing creditors to be thorough in the screening process.<sup>290</sup> Even where the creditor is a debt collector or debt buyer, these entities have greater incentives to ask questions about the origins of the debt, thus placing additional pressure on those extending credit to extend it only to those who consent to the debt.<sup>291</sup>

A victim's ability to initiate a case will hasten relief.<sup>292</sup> Although the law does not address credit reporting agencies directly, it alleviates the obstacles victims face in clearing their credit records by outsourcing that job to creditors.<sup>293</sup> The added benefit is that creditors will be motivated to initially ensure that they extend credit to

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286. *Id.* § 1798.97.3(a)(1)–(2). The pleading must allege coerced debt with particularity and the filing must be accompanied by statutorily specified attachments. *Id.* § 1798.97.3(a)(3)(A)–(B). Cross-complaints may be filed even when a creditor has filed an action “to collect a debt incurred prior to July 1, 2023” as long as the final judgment in the matter has not been issued. *Id.* § 1798.97.5(b).

287. *Id.* § 1798.97.3(b)(1)–(3). Further, the creditor is then given standing to collect the coerced debt from the abuser and the statute of limitations is extended by another five years from the date of the judgment. *Id.* §§ 1798.97.3(f)–(g), .4(c).

288. *Id.* § 1798.97.3(c)(1). Additionally, the statute instructs the courts to take any additional precautions that are necessary to prevent abuse of the victim or their immediate family members. *Id.* § 1798.97.3(c)(2).

289. *Id.* § 1798.97.3(d).

290. *See supra* notes 281–82, 285 and accompanying text.

291. *See supra* notes 271–72 and accompanying text.

292. *See supra* notes 286–88 and accompanying text.

293. *See supra* note 285 and accompanying text.



individuals who consent to the debt.<sup>294</sup> The law clearly and within one statute lays out the remedies that a victim of coerced debt will have at their disposal upon leaving their abuser.<sup>295</sup> This clarity allows people in abusive relationships to see that the legal system will protect them upon filing a debt dispute and leaving their abuser.<sup>296</sup>

## V. CONCLUSION

A consumer law approach to remedying coerced debt—separate from criminally penalizing perpetrators—is the most direct path delivering victims the resources they need to establish an independent life away from their abuser.<sup>297</sup> State legislators can and should introduce bills proposing consumer law remedies in their states to alleviate the burden on their constituents who carry coerced debt.<sup>298</sup> To promote a victim's ability to obtain assistance through the legal system, more states should adopt laws that are as clear as California's.<sup>299</sup> When victims easily understand the law because the language is clear and when remedies are comprehensive, victims are more likely to be empowered to leave their abuser.<sup>300</sup>

Legal remedies for coerced debt provide victims the tools to gain financial independence.<sup>301</sup> When processes are set up so that victims with and without legal representation can bring these cases to a court's attention, victims have increased access to swift relief from creditors and poor credit reports.<sup>302</sup> This, in turn, will ultimately provide victims with greater financial stability so that they can make decisions about their future that best serve their needs.<sup>303</sup>

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294. *See supra* note 283 and accompanying text.

295. *See supra* note 267 and accompanying text.

296. *See supra* notes 22–23 and accompanying text.

297. *See supra* Part IV.

298. *See supra* Sections IV.A–E.

299. *See supra* Section IV.E.

300. *See supra* notes 22–24, 295 and accompanying text.

301. *See supra* note 111 and accompanying text.

302. *See supra* notes 206, 255, 286 and accompanying text.

303. *See supra* notes 112–14 and accompanying text.