

---

## **OLR Bill Analysis**

### **sSB 1086**

#### ***AN ACT CONCERNING COERCED DEBT.***

#### **SUMMARY**

This bill requires consumer collection agencies to stop a debt collection if someone gives them documentation that the collection involves a personal, family, or household debt in the name of a domestic violence victim incurred because of duress, intimidation, threat of force, force, fraud, or undue influence (“coerced debt”). However, the bill permits the agencies to pursue collection against the people found to be the perpetrators of coerced debts based on the documentation that identifies a debt as coerced debt.

The bill also requires credit rating agencies to reinvestigate debt identified as coerced debt if someone gives them related documentation, except when federal law provides otherwise. If the rating agencies then determine that the debt is coerced debt, they must remove any reference to it from the person’s credit report.

Under the bill, “documentation of coerced debt” is documentation, submitted under oath, identifying a debt as coerced debt and describing the circumstances under which it was incurred, such as a:

1. police report;
2. Federal Trade Commission identity theft report identifying the debt as coerced debt and not as a debt from identity theft;
3. court order; or
4. sworn written certification from a qualified third-party professional (i.e., a properly Connecticut-credentialed domestic violence or sexual assault counselor, psychiatrist, psychologist,

clinical social worker, or attorney) based on information received while acting in his or her professional capacity.

Lastly, the bill makes technical and conforming changes.

EFFECTIVE DATE: October 1, 2023

**COMMITTEE ACTION**

Banking Committee

Joint Favorable Substitute

Yea 11 Nay 1 (03/07/2023)