

Banking Committee JOINT FAVORABLE REPORT

Bill No.: SB-1086

Title: AN ACT CONCERNING COERCED DEBT.

Vote Date: 3/7/2023

Vote Action: Joint Favorable Substitute

PH Date: 3/2/2023

File No.:

***Disclaimer:** The following JOINT FAVORABLE Report is prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose.*

SPONSORS OF BILL:

Banking Committee.

REASONS FOR BILL:

Connecticut needs strong, effective laws holding the banking industry and credit agencies accountable, while giving them tools they can use to prevent future coerced debt/financial abuse.

Substitute language:

- Adds definition of "qualified third-party professional"
- Adds reference to "under oath" to def. of "Documentation of coerced debt"

RESPONSE FROM ADMINISTRATION/AGENCY:

None expressed.

NATURE AND SOURCES OF SUPPORT:

[Karen Elise Robbins](#) submitted written testimony in support of this bill. Ms. Robbins is a coerced debt/financial abuse survivor. In 2020 she discovered that her former husband had stolen and used her identity dating back to 2002. With her stolen identity he took out \$500,000 in mortgage and equity loans against her home, which was in her name only. He was also able to take \$60,000 from her children's 529 plan accounts, which she was the sole trustee for.

Ms. Robbins shared that "two banks have steadfastly refused to do the right thing. Indeed, one of these banks has filed two separate suits against me to pay for my ex's debts – even

though he admitted under oath in Family Court that he alone controlled those accounts and was responsible for charges."

[Matt Austin, Director of Community Impact, The Center for Empowerment and Education](#) submitted written testimony in support of this bill "which provides simple solutions for coerced debt, a form of economic abuse that acts as a powerful control tactic to keep victims of domestic violence tied to their abuser."

"The Center for Empowerment and Education serves nearly 30,000 residents annually and many report feeling trapped by the years of economic abuse they have experienced. It is critical that we take steps to give survivors the support and resources they need to keep themselves and their children safe. Given the prevalence of economic abuse, that means making relief from coerced debt a part of the safety net. We believe this bill does just that and we urge your support."

[Linda Ciano, Director of Community Engagement, Project SAGE](#) submitted written testimony in support of this bill stating that "To build the financial security necessary for long-term safety, survivors need support in both safeguarding their finances and recovering from the financial devastation of economic abuse."

[Alisha Donovan, Associate Director, Susan B. Anthony Project](#) submitted written testimony in support of this bill sharing that "Senate Bill 1086 would play an important role in helping survivors attain economic security by providing them with critical consumer protections. It provides survivors with a clear path to have coerced debts removed from their credit reports, protecting their credit worthiness, and allows them to avoid the negative impact of debts that should be the liability of their abuser."

[Mary-Jane Foster, President and CEO, Interval House](#) submitted written testimony in support of this bill stating that "A growing body of national research confirms that almost every survivor of domestic violence has experienced economic abuse."

[Mary Lee A. Kiernan, President & CEO and Meredith Gold, Director, Domestic Abuse Services, YWCA Greenwich](#) submitted written testimony in support.

[Meghan Scanlon President & CEO, CT Coalition Against Domestic Violence \(CCADV\)](#) submitted written testimony in support.

[Lee R. Schlesinger, Executive Director, Safe Haven of Greater Waterbury, Inc.](#) submitted written testimony in support.

[Angela Schlingheyde, J.D., Director of Civil Legal & Court Advocacy Services, The Center for Family Justice](#) submitted written testimony in support.

[Paola Serrecchia, HOPE Family Justice Center, program of BHcare](#) submitted written testimony in support.

[Heather Victoria, LCSW, Intensive Services Division Director, United Services, Inc.](#) submitted written testimony in support.

[Andrew Madden, Vice President of Government and State Affairs, ACA International](#)

submitted written testimony stating that "ACA supports the underlying goals of the proposed legislation and hopes the committee will consider addressing the outlined concerns to better protect consumers and small businesses in Connecticut."

[William L. Marohn, Esq., President of the CCBA](#)

submitted written testimony "Our members specialize in the practice of creditor's rights law and we believe we are uniquely positioned to work with this Committee, the Bill Sponsor, and other stakeholders to make this a workable solution for both the victim of coerced debt and the creditor."

NATURE AND SOURCES OF OPPOSITION:

None expressed.

Reported by: Jeanie Phillips, Clerk

Date: March 10, 2023