



General Assembly

Amendment

February Session, 2024

LCO No. 5429



Offered by:

REP. DOUCETTE, 13th Dist.
REP. STAFSTROM, 129th Dist.
REP. FISHBEIN, 90th Dist.
REP. DELNICKI, 14th Dist.

SEN. MILLER P., 27th Dist.
SEN. BERTHEL, 32nd Dist.
SEN. COHEN, 12th Dist.

To: Subst. Senate Bill No. 123

File No. 153

Cal. No. 425

(As Amended)

"AN ACT CONCERNING COERCED DEBT."

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. (NEW) (*Effective January 1, 2025*) As used in this section
4 and sections 2 and 3 of this act:

5 (1) "Claim" means a right to receive payment of a credit card debt;

6 (2) "Claimant" means an entity that has, or purports to have, a claim
7 against a debtor arising from coerced debt or allegedly coerced debt,
8 and includes a consumer collection agency, as defined in section 36a-800
9 of the general statutes, to collect said debt, or such entity's successor or
10 assignee;

11 (3) "Coerced debt" means any debt incurred in the name of a debtor
12 who is a victim of domestic violence, as defined in subsection (b) of
13 section 46b-1 of the general statutes, when such debt was incurred in
14 response to any duress, intimidation, threat of force, force or undue
15 influence used to specifically coerce the debtor into incurring such debt;

16 (4) "Collection activities" means any activity of a claimant to collect
17 or to attempt to collect a debt owed, due or asserted to be owed or due,
18 including, but not limited to, commencing or proceeding with an action
19 in a court of competent jurisdiction;

20 (5) "Credit rating agency" has the same meaning as provided in
21 section 36a-695 of the general statutes;

22 (6) "Debt" means an unsecured credit card debt, or any portion of an
23 unsecured credit card debt, incurred on or after January 1, 2025, for
24 personal, family or household use that (A) was not subject to a final
25 judgment in an action for dissolution of marriage or collection matter
26 which occurred prior to the time when a debtor requests that the
27 claimant waive such debt; or (B) was incurred more than ten years prior
28 to the date of the request;

29 (7) "Debtor" means an individual against whom a claimant asserts a
30 claim arising from coerced debt or allegedly coerced debt;

31 (8) "Immediate family member" has the same meaning as provided in
32 section 36a-485 of the general statutes;

33 (9) "Negative information" has the same meaning as provided in 15
34 USC 1681s-2, as amended from time to time;

35 (10) "Qualified third-party professional" means a domestic violence
36 counselor or sexual assault counselor, as those terms are defined in
37 section 52-146k of the general statutes, a psychiatrist licensed under
38 chapter 370 of the general statutes, a psychologist licensed under
39 chapter 383 of the general statutes, a clinical social worker licensed
40 under chapter 383b of the general statutes, a marital and family therapist

41 licensed under chapter 383a of the general statutes and a professional
42 counselor licensed under chapter 383c of the general statutes; and

43 (11) "Requests that the claimant waive such debt" means a request
44 that a claimant waive, forgive, excuse, write off or not collect a debt or
45 portion of a debt.

46 Sec. 2. (NEW) (*Effective January 1, 2025*) No individual shall
47 knowingly cause another individual to incur coerced debt. Any
48 individual who knowingly causes another individual to incur coerced
49 debt (1) shall be civilly liable to the claimant for the amount of the
50 coerced debt or portion of the coerced debt determined by a court to be
51 coerced debt, and (2) may be civilly liable for reasonable attorneys' fees
52 and costs incurred by the debtor in establishing the debt was coerced.

53 Sec. 3. (NEW) (*Effective January 1, 2025*) (a) A claimant shall suspend
54 all collection activities that concern a debt identified by the debtor as
55 coerced debt until the claimant has completed a review pursuant to
56 subsection (f) of this section, if the debtor provides the claimant with
57 information and documentation, certified by the debtor, that:

58 (1) Includes the following:

59 (A) An identification of the debt alleged to be coerced debt;

60 (B) A description of the circumstances under which the allegedly
61 coerced debt was incurred;

62 (C) An attested to written statement by the debtor disclosing (i) that
63 the debtor did not willingly authorize the use of the debtor's name or
64 personal information to incur such debt, (ii) specific facts supporting the
65 debtor's allegation, if available, and (iii) if the debtor alleges that only a
66 portion of such debt is coerced debt, the portion of such debt that the
67 debtor alleges is coerced debt;

68 (D) Any information known by the debtor, including, but not limited
69 to, any credit card number, and the individual in whose name such debt
70 was incurred;

71 (E) The identity of the individual whom the debtor alleges coerced
72 the debtor into incurring such debt and contact information for such
73 individual, if the debtor knows such contact information, unless the
74 debtor signs a sworn statement that disclosing such information is likely
75 to result in abuse to the debtor or any immediate family member of the
76 debtor;

77 (F) A telephone number that the claimant may use to contact the
78 debtor to obtain additional information from, or pose questions to, the
79 debtor with regard to such debt, or, if the debtor prefers to communicate
80 with the claimant in writing, a statement by the debtor indicating that
81 the claimant shall communicate with the debtor with regard to such
82 debt exclusively in writing and disclosing the debtor's mailing address,
83 electronic mail address or both; and

84 (G) Any other documents the debtor deems appropriate to support
85 the request.

86 (2) In support of the information disclosed pursuant to subdivision
87 (1) of this subsection, attaches not less than one of the following:

88 (A) A police report;

89 (B) A restraining order or protective order issued by a court of
90 competent jurisdiction; or

91 (C) A document prepared by a qualified third-party professional that
92 (i) is based on information the qualified third-party professional
93 received while acting in such qualified third-party professional's
94 professional capacity, (ii) is certified by the qualified third-party
95 professional in the manner specified in subsection (b) of this subsection,
96 and (iii) displays the letterhead, address and telephone number of the
97 office, institution, center or organization that has engaged or employs
98 the qualified third-party professional regardless of whether such
99 qualified third-party professional is financially compensated, or the
100 letterhead, address and telephone number of such qualified third-party
101 professional if such qualified third-party professional is self-employed.

102 (b) Each certification required pursuant to subsection (a) of this
103 section shall be in substantially the following form:

104 "I declare under penalty of perjury that the representations made
105 herein are true, correct, and contain no material omissions of fact.

106 Dated at ..., Connecticut, this ... day of ..., 20...

107 (Signature)".

108 (c) The debtor shall send the information and documentation
109 described in subsection (a) of this section by certified mail, overnight
110 delivery or any other delivery method allowing for confirmation of the
111 date on which such documentation is delivered to an address the
112 claimant provides to the debtor for the purpose of receiving such
113 documentation or, if the claimant has not provided any such address, to
114 the claimant's principal place of business as identified on the Secretary
115 of the State's Internet web site. If an address is unavailable through such
116 Internet web site, the debtor may use the claimant's correspondence
117 address.

118 (d) If a debtor orally notifies a claimant that a debt being collected, or
119 a portion of a debt being collected, is coerced debt and requests that the
120 claimant waive such debt, and if the claimant does not permanently
121 cease collection activities that concern such debt and are directed
122 toward the debtor, the claimant shall notify the debtor, in writing and
123 not later than ten days after receiving such oral notice and request from
124 the debtor, that the debtor's request must be in writing and in
125 accordance with subsections (a) to (c), inclusive, of this section. The
126 claimant shall send such written notice to the debtor by certified mail,
127 overnight delivery or any other delivery method allowing for
128 confirmation of the date on which such notice is delivered.

129 (e) If, prior to sending the information and documentation described
130 in subsection (a) of this section, a legal action brought by the claimant is
131 pending, the debtor shall file a notice with the court, on a form
132 prescribed by the Judicial Branch, informing the court of the review

133 pending with the claimant.

134 (f) Within ten days of receipt of the information and documentation
135 provided in accordance with subsection (a) of this section, the claimant
136 shall: (1) Suspend collection efforts for a period of sixty days or until it
137 completes its investigation, whichever is longer; and (2) conduct a good
138 faith review to determine whether the debt identified by the debtor in
139 the information and documentation provided in accordance with
140 subsection (a) of this section is coerced debt after considering all
141 information provided by the debtor and all other relevant information
142 available to the claimant.

143 (g) The claimant shall not commence a legal action to collect such debt
144 while completing such good faith review and, if an action is then
145 pending, the claimant shall not proceed on the action while completing
146 such review. If the claimant has previously furnished negative
147 information about the debtor to a credit rating agency, notify such credit
148 rating agency that the debt identified by the debtor in the information
149 and documentation provided in accordance with subsection (a) of this
150 section is disputed.

151 (h) Not later than the tenth day after the claimant completes the
152 review pursuant to subdivision (2) of subsection (f) of this section, the
153 claimant shall notify the debtor, in writing, of the claimant's
154 determination and the basis for its determination.

155 (i) (1) If the claimant determines, in good faith, that the available
156 information establishes that the debt identified by the debtor in the
157 information and documentation provided in accordance with
158 subsection (a) of this section is coerced debt, the claimant shall grant the
159 debtor's request and permanently cease collection activities against the
160 debtor concerning such coerced debt. If a legal action brought by the
161 claimant is then pending, the claimant shall file a notice with the court
162 informing it of the conclusion of its review, and the determination
163 resulting therefrom releasing the debtor from the debt.

164 (2) A claimant that permanently ceases collection activities under

165 subdivision (1) of this subsection shall, if the claimant has furnished
166 negative information to a credit rating agency regarding the debtor in
167 connection with the coerced debt, notify such agency to delete such
168 information. The claimant shall provide such notice not later than the
169 tenth business day after the claimant makes such determination.

170 (3) If the claimant determines, in good faith, that the available
171 information does not establish that the debt identified by the debtor in
172 the information and documentation provided in accordance with
173 subsection (a) of this section is coerced debt, the claimant may
174 recommence collection activities concerning such debt. The claimant
175 shall not recommence such collection activities until the claimant
176 notifies the debtor, in writing, of such good faith determination. If a
177 legal action brought by the claimant is then pending, the claimant shall
178 file a notice with the court informing it of the conclusion of its review,
179 and the determination resulting therefrom.

180 (j) Any statute of limitations that may apply to a claimant's claim
181 relating to a debt that is the subject of the information and
182 documentation submitted to the claimant by a debtor under subsection
183 (a) of this section, or a notification submitted to the claimant by a debtor
184 under the provisions of this section, shall be tolled for the duration of
185 any time period during which the claimant is temporarily prevented
186 from commencing a legal action relating to any portion of the debt
187 pursuant to this section.

188 (k) A debtor is not permitted to avail themselves of this process more
189 than one time with respect to the same debt or any portion thereof.

190 (l) Nothing in this section or sections 1 and 2 of this act shall:

191 (1) Require a court to order a claimant to refund any moneys already
192 paid on a debt that is determined to be coerced debt;

193 (2) Diminish the rights of a claimant to recover payment for any
194 coerced debt from any individual who, as determined by the claimant,
195 has coerced a debtor into incurring such coerced debt;

196 (3) Reduce or eliminate any other rights or defenses available to a
197 debtor at law or in equity; or

198 (4) Reduce or eliminate any other rights or defenses at law or in
199 equity available to a party determined by the claimant to have coerced
200 the debt."

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>January 1, 2025</i>	New section
Sec. 2	<i>January 1, 2025</i>	New section
Sec. 3	<i>January 1, 2025</i>	New section