



General Assembly

**Amendment**

February Session, 2024

LCO No. 4297



Offered by:

SEN. MILLER P., 27<sup>th</sup> Dist.  
REP. DOUCETTE, 13<sup>th</sup> Dist.  
SEN. BERTHEL, 32<sup>nd</sup> Dist.  
REP. DELNICKI, 14<sup>th</sup> Dist.  
SEN. COHEN, 12<sup>th</sup> Dist.

To: Subst. Senate Bill No. **123**

File No. 153

Cal. No. 118

(As Amended by Senate Amendment Schedule "A")

**"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 to 4, inclusive, of this act:

5 (1) "Claim" means a right to payment, regardless of whether such  
6 right is reduced to judgment, liquidated, unliquidated, fixed,  
7 contingent, matured, unmatured, disputed, undisputed, legal or  
8 equitable;

9 (2) "Claimant" (A) means an individual or entity that has, or purports  
10 to have, a claim against a debtor arising from coerced debt or allegedly

11 coerced debt, or such individual's or entity's successor or assignee, (B)  
12 does not mean an individual who or entity that, or any successor or  
13 assignee of an individual who or entity that, caused a claim to arise  
14 through duress, intimidation, threat of force, force or undue influence  
15 perpetrated against the debtor, and (C) includes, but is not limited to, a  
16 consumer collection agency, as defined in section 36a-800 of the general  
17 statutes;

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

23 (4) "Collection activities" means any activity of a claimant to collect  
24 or to attempt to collect, directly or indirectly, a debt owed, due or  
25 asserted to be owed or due, including, but not limited to, commencing  
26 or conducting an action in a court of competent jurisdiction;

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

29 (6) "Debt" means an unsecured debt, or any portion of an unsecured  
30 debt, incurred on or after January 1, 2025, for personal, family or  
31 household use;

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

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

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

38 (10) "Qualified third-party professional" means a domestic violence  
39 counselor or sexual assault counselor, as those terms are defined in  
40 section 52-146k of the general statutes, a psychiatrist licensed under

41 chapter 370 of the general statutes, a psychologist licensed under  
42 chapter 383 of the general statutes, a clinical social worker licensed  
43 under chapter 383b of the general statutes, a marital and family therapist  
44 licensed under chapter 383a of the general statutes and a professional  
45 counselor licensed under chapter 383c of the general statutes; and

46 (11) "Requests that the claimant waive or modify such debt" includes,  
47 but is not limited to, a request that a claimant waive, forgive, excuse,  
48 write off, not collect, modify, delay, postpone or enter into a payment  
49 plan for a debt or a portion of a debt.

50 Sec. 2. (NEW) (*Effective January 1, 2025*) No individual shall  
51 knowingly cause another individual to incur coerced debt. Any  
52 individual who knowingly causes another individual to incur coerced  
53 debt (1) shall be civilly liable to the claimant for the amount of the  
54 coerced debt, or a portion of the coerced debt, determined by a court to  
55 be coerced debt, and (2) may be civilly liable for (A) any attorney's fees  
56 and costs incurred by the claimant in recovering such debt, and (B) any  
57 attorney's fees and costs incurred by the debtor in an action commenced  
58 under section 4 of this act.

59 Sec. 3. (NEW) (*Effective January 1, 2025*) (a) Except as otherwise  
60 provided in subsection (d) of this section, a claimant shall cease all  
61 collection activities that concern a debt identified by the debtor as  
62 coerced debt until the claimant has completed a review pursuant to  
63 subsection (e) of this section, if:

64 (1) A legal action concerning such debt has not been commenced  
65 prior to the claimant's receipt of the documentation described in  
66 subdivision (2) of this subsection, and

67 (2) The debtor provides the claimant documentation, certified by the  
68 debtor, that:

69 (A) Includes the following:

70 (i) An identification of the debt as coerced debt;

71 (ii) A description of the circumstances under which the allegedly  
72 coerced debt was incurred;

73 (iii) An express written statement by the debtor disclosing (I) that the  
74 debtor did not willingly authorize the use of the debtor's name or  
75 personal information to incur such debt, (II) specific facts supporting the  
76 debtor's allegation, if available, and (III) if the debtor alleges that only a  
77 portion of such debt is coerced debt, the portion of such debt that the  
78 debtor alleges is coerced debt;

79 (iv) Any information known by the debtor, including, but not limited  
80 to, any credit card number or loan number, that the claimant may use to  
81 identify the account associated with such debt and the individual in  
82 whose name such debt was incurred;

83 (v) The identity of the individual whom the debtor alleges coerced  
84 the debtor into incurring such debt and contact information for such  
85 individual, if the debtor knows such contact information, unless the  
86 debtor signs a sworn statement that disclosing such information is likely  
87 to result in abuse to the debtor or any immediate family member of the  
88 debtor, except the debtor shall disclose such information in the event  
89 that the claimant (I) gives notice to the debtor that the claimant is ceasing  
90 collection activities against the debtor under this section and releasing  
91 the debtor from any liability for such debt, and (II) upon giving the  
92 notice described in subparagraph (A)(v)(I) of this subdivision, requests  
93 that the debtor disclose such information; and

94 (vi) A telephone number that the claimant may use to contact the  
95 debtor to obtain additional information from, or pose questions to, the  
96 debtor with regard to such debt, or, if the debtor prefers to communicate  
97 with the claimant in writing, a statement by the debtor indicating that  
98 the claimant shall communicate with the debtor with regard to such  
99 debt exclusively in writing and disclosing the debtor's mailing address,  
100 electronic mail address or both; and

101 (B) In support of the information disclosed pursuant to subparagraph  
102 (A) of this subdivision, attaches not less than one of the following:

- 103 (i) A police report;
- 104 (ii) A Federal Trade Commission identity theft report that identifies  
105 the debt as coerced debt and not as a debt incurred due to identity theft;
- 106 (iii) A restraining order or protective order issued by a court of  
107 competent jurisdiction; or
- 108 (iv) A document prepared by a qualified third-party professional that  
109 (I) is based on information the qualified third-party professional  
110 received while acting in such qualified third-party professional's  
111 professional capacity, (II) is certified by the qualified third-party  
112 professional in the manner specified in subsection (b) of this subsection,  
113 and (III) displays the letterhead, address and telephone number of the  
114 office, institution, center or organization that has engaged or employs  
115 the qualified third-party professional regardless of whether such  
116 qualified third-party professional is financially compensated, or the  
117 letterhead, address and telephone number of such qualified third-party  
118 professional if such qualified third-party professional is self-employed.
- 119 (b) Each certification required pursuant to subdivision (2) of  
120 subsection (a) of this section shall be in substantially the following form:
- 121 "I declare under penalty of perjury that the representations made  
122 herein are true, correct, and contain no material omissions of fact.
- 123 Dated at ..., Connecticut, this ... day of ..., 20...
- 124 .... (Signature)".
- 125 (c) The debtor shall send the documentation described in subdivision  
126 (2) of subsection (a) of this section by certified mail, overnight delivery  
127 or any other delivery method allowing for confirmation of the date on  
128 which such documentation is delivered to an address the claimant  
129 provides to the debtor for the purpose of receiving such documentation  
130 or, if the claimant has not provided any such address, to the claimant's  
131 principal place of business as identified on the Secretary of the State's  
132 Internet web site. If an address is unavailable through such Internet web

133 site, the debtor may use the claimant's correspondence address.

134 (d) (1) If a debtor orally notifies a claimant that a debt being collected,  
135 or a portion of a debt being collected, is coerced debt and requests that  
136 the claimant waive or modify such debt, and if the claimant does not  
137 permanently cease collection activities that concern such debt and are  
138 directed toward the debtor, the claimant shall notify the debtor, in  
139 writing and not later than ten days after receiving such oral notice and  
140 request from the debtor, that the debtor's request must be in writing and  
141 in accordance with subsections (a) to (c), inclusive, of this section. The  
142 claimant shall send such written notice to the debtor by certified mail,  
143 overnight delivery or any other delivery method allowing for  
144 confirmation of the date on which such notice is delivered.

145 (2) If a debtor notifies a claimant, in writing, that a debt being  
146 collected, or a portion of a debt being collected, is coerced debt and  
147 requests that the claimant waive or modify such debt, but omits any  
148 documentation required by subdivision (2) of subsection (a) of this  
149 section, and if the claimant does not permanently cease collection  
150 activities that concern such debt and are directed toward the debtor, the  
151 claimant shall, not later than ten days after receiving such written notice  
152 and request from the debtor, provide written notice to the debtor  
153 identifying such omitted documentation. The claimant shall send such  
154 written notice to the debtor by certified mail, overnight delivery or any  
155 other delivery method allowing for confirmation of the date on which  
156 such notice is delivered.

157 (3) If a debtor orally notifies a claimant that a debt being collected, or  
158 a portion of a debt being collected, is coerced debt and requests that the  
159 claimant waive or modify such debt, as described in subdivision (1) of  
160 this subsection, or notifies a claimant, in writing, that a debt being  
161 collected, or a portion of a debt being collected, is coerced debt and  
162 requests that the claimant waive or modify such debt, but omits any  
163 documentation required by subdivision (2) of subsection (a) of this  
164 section, as described in subdivision (2) of this subsection, the claimant  
165 shall not, for a period of not less than thirty days after the debtor

166 receives the written notice provided by the claimant in accordance with  
167 subdivision (1) or (2) of this subsection, commence a legal action to  
168 collect the debt identified by the debtor as coerced debt in such oral or  
169 written notice provided by the debtor under subdivision (1) or (2) of this  
170 subsection. During such time period, the claimant may continue  
171 collection activities other than commencing such a legal action. If the  
172 claimant commences such a legal action in violation of this subdivision,  
173 such commencement shall be grounds for dismissal of such action  
174 without prejudice at any time prior to the entry of judgment.

175 (e) (1) Not later than the thirtieth day after a claimant receives the  
176 documentation provided in accordance with subdivision (2) of  
177 subsection (a) of this section, the claimant shall:

178 (A) Complete a good faith review to determine whether the debt  
179 identified by the debtor in the documentation provided in accordance  
180 with subdivision (2) of subsection (a) of this section is coerced debt after  
181 considering all information provided by the debtor and all other  
182 relevant information available to the claimant. The claimant shall not  
183 commence a legal action to collect such debt while completing such  
184 good faith review, provided the claimant did not commence any such  
185 action prior to receiving such documentation provided in accordance  
186 with subdivision (2) of subsection (a) of this section or any oral or  
187 written notice and request provided by the debtor under subdivision (1)  
188 or (2) of subsection (d) of this section; and

189 (B) If the claimant has previously furnished negative information  
190 about the debtor to a credit rating agency, notify such credit rating  
191 agency that the debt identified by the debtor in the documentation  
192 provided in accordance with subdivision (2) of subsection (a) of this  
193 section is disputed.

194 (2) Not later than the tenth day after the claimant completes the  
195 review pursuant to subdivision (1) of this subsection, the claimant shall  
196 notify the debtor, in writing, of the claimant's determination and the  
197 good faith basis for such determination.

198 (3) (A) If the claimant determines, in good faith, that the available  
199 information establishes that the debt identified by the debtor in the  
200 documentation provided in accordance with subdivision (2) of  
201 subsection (a) of this section is coerced debt, the claimant shall  
202 permanently cease collection activities against the debtor concerning  
203 such coerced debt.

204 (B) A claimant that permanently ceases collection activities under  
205 subparagraph (A) of this subdivision shall, if the claimant has furnished  
206 negative information to a credit rating agency regarding the debtor in  
207 connection with the coerced debt, notify such agency to delete such  
208 information. The claimant shall provide such notice not later than the  
209 tenth business day after the claimant makes such determination.

210 (4) If the claimant determines, in good faith, that the available  
211 information does not establish that the debt identified by the debtor in  
212 the documentation provided in accordance with subdivision (2) of  
213 subsection (a) of this section is coerced debt, the claimant may  
214 recommence collection activities concerning such debt. The claimant  
215 shall not recommence such collection activities until the claimant  
216 notifies the debtor, in writing, of such good faith determination.

217 (f) No inference or presumption that the debt identified by the debtor  
218 in the documentation provided in accordance with subdivision (2) of  
219 subsection (a) of this section is valid or invalid or that the debtor is liable  
220 or not liable for such debt shall arise on the basis of the claimant's  
221 determination, made after the review performed pursuant to subsection  
222 (e) of this section, to cease or recommence collection activities  
223 concerning such debt. The exercise or nonexercise of any right under  
224 this section is not a waiver of any other right or defense of the debtor or  
225 claimant, including, but not limited to, any right or defense that may be  
226 asserted against any individual who coerces a debtor into incurring  
227 coerced debt.

228 (g) A debtor shall not provide documentation to a claimant in  
229 accordance with subdivision (2) of subsection (a) of this section or



230 request that a claimant waive or modify a debt being collected, or a  
231 portion of a debt being collected, as described in subsection (d) of this  
232 section, (1) if the debt that is the subject of such documentation or  
233 request was previously considered and subject to a final judgment in an  
234 action for dissolution of marriage prior to the time when the debtor  
235 provides such documentation or makes such request; or (2) but within  
236 ten years after the debt that is the subject of such documentation or  
237 request was incurred.

238 (h) Any statute of limitations that may apply to a claimant's claim  
239 relating to a debt that is the subject of documentation submitted to the  
240 claimant by a debtor under subdivision (2) of subsection (a) of this  
241 section, or a notification submitted to the claimant by a debtor under  
242 subdivision (1) or (2) of subsection (d) of this section, shall be tolled for  
243 the duration of any time period during which the claimant is  
244 temporarily prevented from commencing a legal action relating to such  
245 debt pursuant to this section.

246 (i) The provisions of this section shall not apply if a legal action  
247 concerning a debt that is the subject of documentation submitted to a  
248 claimant by a debtor under subdivision (2) of subsection (a) of this  
249 section, or a notification submitted to a claimant by a debtor under  
250 subdivision (1) or (2) of subsection (d) of this section, had been  
251 commenced prior to the time when the claimant received such  
252 documentation or notification.

253 Sec. 4. (NEW) (*Effective January 1, 2025*) (a) (1) (A) A debtor may bring  
254 an action against a claimant to establish that a debt is coerced debt.

255 (B) In any such action, the claimant may:

256 (i) In accordance with section 52-102a of the general statutes, move to  
257 implead any third party who is or may be liable for the debt that is  
258 alleged to be coerced debt;

259 (ii) Assert a cross complaint to establish that such debt is not coerced  
260 debt;

261 (iii) Assert a counterclaim or defense to establish that such debt is not  
262 coerced debt; and

263 (iv) In accordance with sections 52-101, 52-107 and 52-108 of the  
264 general statutes, move to add or join in additional parties.

265 (2) In any action brought by a claimant against a debtor to recover a  
266 debt, the debtor may:

267 (A) In accordance with section 52-102a of the general statutes, move  
268 to implead any third party who is or may be liable for the debt that is  
269 alleged to be coerced debt;

270 (B) Assert a cross complaint to establish that such debt is coerced  
271 debt;

272 (C) Assert a counterclaim or defense to establish that such debt is  
273 coerced debt; and

274 (D) In accordance with sections 52-101, 52-107 and 52-108 of the  
275 general statutes, move to add or join in additional parties.

276 (3) Sending the written notice described in subparagraph (A) of  
277 subdivision (1) of subsection (b) of this section shall not be a prerequisite  
278 for a debtor to counterclaim or assert a defense pursuant to  
279 subparagraph (C) of subdivision (2) of this subsection.

280 (b) (1) Not later than thirty days before commencing an action  
281 pursuant to subparagraph (A) of subdivision (1) of subsection (a) of this  
282 section, or any other action against a claimant in connection with  
283 allegedly coerced debt, a debtor shall send to the claimant: (A) A written  
284 notice disclosing the debtor's intent to commence such action against the  
285 claimant; and (B) the documentation described in subdivision (2) of  
286 subsection (a) of section 3 of this act. For purposes of this subdivision,  
287 the thirty-day period shall commence when the claimant receives the  
288 written notice and documentation required under this subdivision. A  
289 failure by the debtor to timely provide to the claimant the written notice  
290 and documentation required under this subdivision shall be grounds

291 for the dismissal without prejudice of the action against the claimant at  
292 any time prior to the entry of judgment.

293 (2) The debtor shall send the written notice required under  
294 subparagraph (A) of subdivision (1) of this subsection by certified mail,  
295 overnight delivery or any other delivery method allowing for  
296 confirmation of the date on which such notice is delivered to an address  
297 the claimant provides to the debtor for the purpose of receiving such  
298 notice, or, if the claimant has not provided any such address, to the  
299 claimant's principal place of business as identified on the Secretary of  
300 the State's Internet web site. If an address is unavailable through such  
301 Internet web site, the debtor may use the claimant's correspondence  
302 address.

303 (3) (A) A debtor shall not commence an action under subparagraph  
304 (A) of subdivision (1) of subsection (a) of this section, or any other action  
305 against a claimant in connection with allegedly coerced debt, if:

306 (i) The claimant informs the debtor that the claimant has permanently  
307 ceased all efforts to collect on the debt identified in the written notice  
308 provided pursuant to subparagraph (A) of subdivision (1) of this  
309 subsection;

310 (ii) The claimant informs the debtor that the claimant has notified any  
311 credit rating agency to which the claimant has furnished negative  
312 information regarding the debtor in connection with the coerced debt to  
313 delete such information; and

314 (iii) The debtor receives written notice of the information described  
315 in subparagraphs (A)(i) and (A)(ii) of this subdivision before the  
316 expiration of the thirty-day period described in subdivision (1) of this  
317 subsection.

318 (B) A debtor may commence an action under subparagraph (A) of  
319 subdivision (1) of subsection (a) of this section, or any other action  
320 against a claimant in connection with allegedly coerced debt, if the  
321 debtor receives a written notice pursuant to subdivision (4) of

322 subsection (e) of section 3 of this act disclosing the claimant's good faith  
323 determination that the available information does not establish that  
324 such allegedly coerced debt is coerced debt.

325 (c) A debtor shall attach the documentation described in subdivision  
326 (2) of subsection (a) of section 3 of this act to any complaint or  
327 counterclaim by the debtor alleging that a debt is coerced debt. A failure  
328 by the debtor to attach such documentation shall be grounds for the  
329 dismissal of the action against the claimant without prejudice at any  
330 time prior to the entry of judgment.

331 (d) If a debtor establishes by a preponderance of the evidence in an  
332 action described in subsection (a) of this section that a debt is coerced  
333 debt, the debtor may, if requested, be entitled to the following relief:

334 (1) A declaratory judgment that the debtor is not obligated to the  
335 claimant for such coerced debt;

336 (2) A judgment in favor of the claimant against the individual who  
337 coerced the debtor into incurring such coerced debt, provided the  
338 individual who coerced the debtor into incurring such coerced debt has  
339 been made a party to the action in accordance with section 52-101, 52-  
340 102a, 52-107 or 52-108 of the general statutes, as applicable, and the  
341 evidence supports such a judgment;

342 (3) An order awarding the debtor attorney's fees and costs, which  
343 shall be paid by the individual who coerced the debtor into incurring  
344 the coerced debt, if such individual has been made a party or parties to  
345 the action; and

346 (4) An order requiring the claimant, if the claimant has furnished  
347 negative information to a credit rating agency regarding the debtor in  
348 connection with the coerced debt, to notify such agency to delete such  
349 information not later than the tenth business day after the issuance of  
350 such order. Such order shall be entered by the court at the time the court  
351 determines that the debt is coerced debt.

352 (e) The court shall consider, upon written motion of any party or  
353 upon the court's own motion, and in accordance with the provisions of  
354 the Connecticut Practice Book, any appropriate steps necessary to  
355 prevent abuse of the debtor or an immediate family member of the  
356 debtor, including, but not limited to, sealing court records, redacting  
357 personal identifying information about the debtor or any immediate  
358 family member of the debtor that was improperly filed or directing that  
359 any deposition or evidentiary hearing be conducted remotely.

360 (f) If the court determines, in an action described in subsection (a) of  
361 this section, that a debt is coerced debt, the claimant or debtor may, at  
362 the time the court makes such determination, move the court to make  
363 written findings regarding evidence related to any individual who  
364 allegedly caused the coerced debt to be incurred, provided any such  
365 individual has been made a party to the action in accordance with  
366 section 52-101, 52-102a, 52-107 or 52-108 of the general statutes, as  
367 applicable, and the evidence supports such findings.

368 (g) Where some or all of a claim is established as having arisen from  
369 coerced debt, a claimant shall have standing, and may use all available  
370 rights or remedies, to collect by any lawful means such claim, or portion  
371 of such claim, from any individual determined by the court to have  
372 coerced a debtor into incurring the debt.

373 (h) (1) No action under subparagraph (A) of subdivision (1) of  
374 subsection (a) of this section to establish that a debt is coerced debt shall  
375 be brought but within ten years after the right of action accrues.

376 (2) No action by a claimant to collect coerced debt from any  
377 individual who coerced a debtor into incurring such debt shall be  
378 brought but within five years of the date when it is determined,  
379 pursuant to a proceeding in a court of competent jurisdiction, that such  
380 individual caused the duress, intimidation, threat of force, force or  
381 undue influence giving rise to such coerced debt.

382 (i) No action, claim or defense shall be brought or asserted by a debtor  
383 under subsection (a) of this section to establish that a debt is coerced

384 debt if such debt was previously considered and subject to a final  
 385 judgment in an action for dissolution of marriage prior to the  
 386 commencement of any such action brought by the debtor under  
 387 subsection (a) of this section or the assertion of any such claim or defense  
 388 by the debtor under subsection (a) of this section.

389 (j) Nothing in this section or sections 1 to 3, inclusive, of this act shall:

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

392 (2) Diminish the rights of a claimant to recover payment for any  
 393 coerced debt from any individual who coerced a debtor into incurring  
 394 such coerced debt; or

395 (3) Reduce or eliminate any other rights or defenses available to a  
 396 debtor at law or in equity."

This act shall take effect as follows and shall amend the following sections:		
Section 1	January 1, 2025	New section
Sec. 2	January 1, 2025	New section
Sec. 3	January 1, 2025	New section
Sec. 4	January 1, 2025	New section