

Proposed Legislation to Address Coerced and Fraudulent Debt in CA

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1 in 4 women and **1 in 2** trans people will experience domestic violence in their lifetime.

#1

obstacle to a survivor's long-term safety is financial insecurity

\$104k

is the CDC's estimate of how much domestic violence costs female survivors

99%

of survivors experience economic abuse as part of the domestic violence

Experiencing domestic violence is financially devastating for most people. Survivors can only secure long-term safety for themselves and their children if they can afford to leave, rebuild and heal.

||| The Cost of Economic Abuse

77%

of survivors report harm-doers preventing or disrupting their ability to earn income

\$1,280

is the average amount stolen from individual survivors each month

\$15,936

is the average amount of coerced or fraudulent debt a survivor is saddled with each year

Harm-doers are using economic abuse to wreak havoc on a survivor's finances. With damaged credit and no access to liquid assets, staying safe is simply impossible.

SB 373 (Min): Consumer Debt- Economic Abuse

Sponsors: CPEDV and Public Law Center

- Consumer debts that are shown to have been incurred as a result of economic abuse shall not be reported to credit reporting agencies and cannot be collected by a debt buyer.
- Sufficient documentation includes:
 - A copy of a protective order lawfully issued pursuant to Section 6340 of the Family Code, Section 136.2 of the Penal Code, or Section 213.5 or 15657.03 of the Welfare and Institutions Code.
 - A police report indicating the individual was a victim of domestic violence or elder abuse.
 - A Federal Trade Commission Identity Theft Affidavit.
 - Documentation from a licensed medical professional, domestic violence counselor, as defined in Section 1037.1 of the Evidence Code, a sexual assault counselor, as defined in Section 1035.2 of the Evidence Code, licensed health care provider, attorney, social worker, or counselor stating that the debt was incurred as a result of economic abuse.

AB 430 (Grayson): Debt Collection Identify Theft

Sponsor: California Low-Income Consumer Coalition (CLICC)

- This bill would require creditors, debt collectors, and debt buyers to accept the Federal Trade Commission identity affidavit as sufficient documentation that a debt was the result of identity theft.

Pending - Training and reporting requirement for coerced & fraudulent debt for debt collectors

Sponsor: FreeFrom

- Require debt collection agencies to be trained on coerced and fraudulent debt.
- Require debt collection agencies to report documented and suspected cases of coerced or fraudulent debt to the CA Department of Financial Protection and Innovation (DFPI).
 - DFPI may use reported information to develop regulations, inform internal policies and programs, and inform the wider public on the extent and severity of coerced and fraudulent debt in CA.

Q & A

Coalition calls every other Tuesday at 2:30pm.
The next call is on February 23rd.

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