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.

FreeFrom’s report, “Survivors Know Best: How to Disrupt Intimate Partner Violence during COVID-19 and Beyond.”
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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