*Insert organizational letterhead*

*Replace all highlighted text, sign, save, and submit to the legislative portal at* [*https://calegislation.lc.ca.gov/Advocates*](https://calegislation.lc.ca.gov/Advocates)*. If you have questions please email* [*policy@cpedv.org*](mailto:policy@cpedv.org)*.*

*Email a copy of the letter to* [*jody.fujii@sen.ca.gov*](mailto:jody.fujii@sen.ca.gov) *and* [*policy@cpedv.org*](mailto:policy@cpedv.org)*.*

DATE

Assemblymember Mark Stone

Chair, Assembly Judiciary Committee

020 N Street, Room 104

Sacramento, CA 95814

Re: SB 975 (Min) – Coerced Debt – Support

Dear Assemblymember Stone,

On behalf of *organization name*, I write today in support of SB 975 (Min). This important legislation will protect vulnerable populations from debt collection for debts that were taken out in their names through coercion or fraud.

*Add information about your organization and any connections to this issue, especially client stories.*

Survivors of domestic violence or elder abuse, and foster youth are often the victim of coerced or fraudulent debt, with debts taken out in their name without their knowledge or consent. These debts damage individuals' credit and force them into years of debt repayment, reducing their economic stability and leaving them vulnerable to future abuse, poverty, and housing instability or homelessness.

Financial abuse occurs in 99% of domestic violence cases[[1]](#footnote-1) and can include stealing money, credit, property, or identity from a partner. Abusive partners can incur debt without a survivor’s consent, or coerce a survivor into incurring the debt, by threats of harm. The debt and poor credit score resulting from financial abuse can have long-term consequences for survivors, creating barriers to education, housing and employment opportunities. Further, research illustrates that access to economic resources is the most likely predictor of whether a survivor will be able to permanently separate from their abusive partner. In a 2012 survey, of the 85% of victims who returned to their abusive partners, a significant number cited an inability to address their finances.

In cases of elder abuse, family members and other trusted individuals can abuse a Power of Attorney and steal the person’s monies, take advantage of joint bank accounts, use ATM cards and steal checks, and threaten to harm the individual unless their demands are met.[[2]](#footnote-2)

Foster youth transitioning into adulthood already are at significant risk for adverse financial outcomes. For example, one in three foster youth lack a verified source of income at the time of system exit. Additionally, foster youth often exit care without establishing significant adult relationships, leaving them more vulnerable to the types of financial coercion addressed by this legislation. Youth in foster are also especially vulnerable because they may have multiple placements which give many adults access to their personal information.

SB 975 provides survivors with the urgently needed opportunity to seek relief from repaying these coerced debts. The bill provides a comprehensive list of documentation that can be used to demonstrate to the creditor and, if needed, to the courts, that the debt was a coerced debt. SB 975 provides for an informal resolution process, allowing the survivor and creditor to resolve the debt without needing to involve the courts. The bill also provides for a court-based option to address situations where a debt cannot resolved through the informal process, as well as situations where the survivor is unaware of the debt until they are sued by the creditor.

By freeing individuals from debt collection for coerced debts, SB 975 will support individuals’ financial well-being and allow them greater economic freedom, rather than forcing them to use their own funds to pay off debts they should not be responsible for or face severe consequences such as declaring bankruptcy.

For these reasons we are pleased to support SB 975.

Sincerely,

*Insert signature*

*Name*

*Organization*

1. Adams, Adrienne E. “Measuring the Effects of Domestic Violence on Women’s Financial Well-being.” CFS Research Brief 2011-5.6. [↑](#footnote-ref-1)
2. National Adult Protective Services Association. <https://www.napsa-now.org/get-informed/exploitation-resources/> [↑](#footnote-ref-2)