*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**.*

*Email a copy of the letter to* *Annabelle.Hopkins@sen.ca.gov* *and* *policy@cpedv.org**.*

DATE

Senator Thomas J. Umberg

Chair, Senate Judiciary Committee

1021 O Street, Room 3240

Sacramento, CA 95814

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

Dear Senator [Name],

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. 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) Youth in foster care are particularly 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. A survivor who establishes that a debt was coerced will be entitled to a declaratory judgment that the survivor is not obligated for repayment of the debt as well as an injunction restraining the debt collector from holding the survivor personally liable on the debt or from enforcing judgment related to the debt. The bill provides a comprehensive list of documentation that can be used to demonstrate that the debt was a coerced debt. SB 975 also provides survivors the opportunity to notify a creditor that a debt is coerced, with the goal of resolving the debt prior to litigation.

Importantly, SB 975 is narrowly tailored and will only prohibit debt collectors from collecting against the survivor of coerced debt. To ensure that debts are ultimately paid by the appropriate person, this bill does not prevent the creditor from pursuing any co-debtors, or the alleged abuser for payment.

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*

Cc: Annabelle Hopkins, Legislative Director for Senator Dave Min

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)