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H.385

Introduced by Representatives Graning of Jericho, Arsenault of Williston,
Bluemle of Burlington, Bosch of Clarendon, Boutin of Barre
City, Burke of Brattleboro, Carris-Duncan of Whitingham,
Chapin of East Montpelier, Cina of Burlington, Cordes of
Bristol, Dodge of Essex, Duke of Burlington, Holcombe of
Norwich, Hooper of Burlington, Krasnow of South Burlington,
Lalley of Shelburne, LaLonde of South Burlington, Logan of
Burlington, McCann of Montpelier, McGill of Bridport,
Micklus of Milton, Minier of South Burlington, Nugent of
South Burlington, Olson of Starksboro, Priestley of Bradford,
Sibilia of Dover, Sweeney of Shelburne, and White of Bethel

Referred to Committee on

Date:

Subject: Finance; creditors; debtors; coerced debt; remedies

Statement of purpose of bill as introduced: This bill proposes to prohibit
coerced debt and provide protections and remedies for victims of coerced debt.

An act relating to remedies and protections for victims of coerced debt

1 It is hereby enacted by the General Assembly of the State of Vermont:

2 ~~Sec. 1, 9 V.S.A., chapter 63, subchapter 13 is added to read:~~

3 Subchapter 13. Coerced Debt

4 § 2495a. DEFINITIONS

5 As used in this subchapter:

6 (1) “Abuse” has the same meaning provided in 15 V.S.A. § 1101(1).

7 (2) “Adequate documentation” means:

8 (A) a police report that identifies the coerced debt, or a portion
9 thereof, and describes the circumstances under which the coerced debt was
10 incurred;

11 (B) a Federal Trade Commission identity theft report;

12 (C) an order from a court of competent jurisdiction setting forth
13 findings of coerced debt;

14 (D) a sworn written certification from a qualified third-party
15 professional; or

16 (E) any other document that demonstrates a person was subject to
17 coerced debt and that supports a debtor’s statement of coerced debt.

18 (3) “Coerced debt” means all or a portion of debt in a debtor’s name
19 that:

20 ~~(A) has been incurred as a result of.~~

1 ~~(i) the use of the debtor's personal information without the~~
2 ~~debtor's knowledge, authorization, or consent;~~

3 ~~(ii) the use or threat of force, intimidation, undue influence, fraud,~~
4 ~~deception, coercion, or other similar means against the debtor; or~~

5 ~~(iii) economic abuse perpetrated against the debtor; and~~

6 ~~(B) was not subject to a final judgment in an action for dissolution of~~
7 ~~marriage or a collection matter that occurred prior to the debtor requesting the~~
8 ~~creditor to cease all collection efforts against the debtor for such debt.~~

9 ~~(4) "Creditor" means a person, or the person's successor, assignee, or~~
10 ~~agent, claiming to own or have the right to collect a debt owed by the debtor.~~

11 ~~(5) "Debtor" means a person who:~~

12 ~~(A) is a survivor of domestic abuse, economic abuse, or human~~
13 ~~trafficking; and~~

14 ~~(B) owes coerced debt.~~

15 ~~(6) "Economic abuse" means behavior in the context of a domestic~~
16 ~~relationship that controls, restrains, restricts, impairs, or interferes with the~~
17 ~~ability of a debtor to acquire, use, or maintain economic resources, including:~~

18 ~~(A) withholding or restricting access to, or the acquisition of, money,~~
19 ~~assets, credit, or financial information;~~

20 ~~(B) interfering with the debtor's ability to work and earn wages, or~~

1 ~~(C) exerting undue influence over the debtor's financial and~~
2 economic behavior or decisions.

3 ~~(7) "Human trafficking" has the same meaning provided in 13 V.S.A.~~
4 § 2652 or 2653.

5 ~~(8) "Perpetrator of coerced debt" means an individual who causes or is~~
6 alleged to have caused coerced debt to be incurred by another.

7 ~~(9) "Qualified third-party professional" means:~~

8 ~~(A) an officer of the court or law enforcement personnel;~~

9 ~~(B) a licensed staff member of a program that provides assistance to~~
10 persons regarding domestic violence, sexual assault, stalking, human
11 trafficking or abuse of children, older adults, or dependent adults, and who has
12 relevant training or expertise; or

13 ~~(C) a licensed attorney or a health care provider as defined in 18~~
14 V.S.A. § 9402(7).

15 ~~(10) "Statement of coerced debt" means a statement made by a debtor to~~
16 a creditor orally or in writing that includes:

17 ~~(A) identification of the debt, or portion of the debt alleged to be~~
18 coerced debt;

19 ~~(B) if available, a description of the circumstances under which the~~
20 coerced debt was allegedly incurred,

1 ~~(C) a statement by the debtor disclosing that the debtor did not~~
2 willingly authorize the use of the debtor's name or personal information to
3 incur such debt;

4 (D) any information known by the debtor, including account
5 information or credit card information and the name of the individual in whose
6 name such debt was incurred;

7 (E) the identity of the perpetrator of the coerced debt and, if known,
8 contact information for the perpetrator, unless the debtor signs a sworn
9 statement that disclosing such information is likely to result in abuse to the
10 debtor or any immediate family member of the debtor; and

11 (F) the debtor's preferred contact method and information such as a
12 telephone number, email address, physical address, or safe address for either
13 the debtor or a third party whom the debtor designates to receive information
14 about the coerced debt., which shall be specified by the debtor in writing.

15 (11) "Sworn written certification" means a statement by a qualified
16 third-party professional in the following form:

17 CERTIFICATION OF QUALIFIED THIRD-PARTY PROFESSIONAL

18 I, (name of qualified third-party professional), do hereby
19 certify under penalty of perjury as follows.

1 ~~1. I am a qualified third party professional as defined in 9 V.S.A.~~
2 ~~§ 2495a(9) who has had in-person contact or face-to-face contact through an~~
3 ~~electronic medium with (name of debtor).~~

4 ~~2. Based on my professional interactions with the debtor and~~
5 ~~information presented to me in my professional capacity, I have a reasonable~~
6 ~~basis to believe (name of debtor) is a survivor of domestic abuse,~~
7 ~~domestic assault, stalking, or human trafficking and has incurred all or a~~
8 ~~portion of debt that is coerced debt.~~

9 ~~3. Based on my professional interactions with the debtor and on~~
10 ~~information presented to me, I have reason to believe that the circumstances~~
11 ~~under which the coerced debt was incurred are as follows:~~

12 ~~4. The following debts or portions of the debts have been identified to~~
13 ~~me as coerced:~~

14 ~~I attest that the foregoing is true and correct.~~

15 ~~(Printed name of qualified third party)~~

16 ~~(Signature of qualified third party)~~

17 ~~(Business address and business telephone)~~

18 ~~(Date)~~

19 ~~§ 2495b. COERCED DEBT PROHIBITED~~

20 ~~A person shall not cause another person to incur coerced debt.~~

1 ~~§ 2495c. CREDITOR'S CONDUCT PURSUANT TO A DEBTOR'S~~

2 STATEMENT OF COERCED DEBT

3 (a) Within 30 business days following receipt of a debtor's statement of
4 coerced debt, the creditor shall notify any consumer reporting agency to which
5 the creditor furnished adverse information about the debtor that the debtor
6 disputes the adverse information.

7 (b) If the consumer provides both a statement of coerced debt and adequate
8 documentation to the creditor, the creditor shall take all of the following
9 actions within 10 business days following receipt:

10 (1) Cease all attempts to collect the coerced debt from the debtor.

11 (2) Refrain from filing any lawsuit to collect the coerced debt or, if a
12 collection action has already been filed, seek a continuance, abatement, or stay
13 of proceedings against the debtor unless the creditor is challenging that the
14 debt is not coerced debt in that action pursuant to subsection 2495d(b) of this
15 subchapter.

16 (3) Cease all garnishment of funds from the debtor.

17 (4) Return to the debtor any payments that were made by the debtor or
18 received as part of a garnishment of funds from the debtor on the coerced debt.

19 (5) Notify the debtor that it is ceasing all attempts to collect the debt

20 from the debtor based on the debtor's claim of coerced debt. The notice shall

1 ~~be provided to the debtor using the debtor's preferred contact method. The~~
2 creditor shall inform the debtor of the option to receive the notice in writing.

3 (6) Contact any consumer reporting agency to which it furnished
4 information about the debtor and the coerced debt and request they delete such
5 information.

6 (7) Refrain from selling the debt or transferring it for consideration. If
7 the creditor does not own the debt and is collecting the debt for another, then
8 the creditor must notify the owner of the debt that it has ceased collection
9 activities against the debtor because the debt is coerced debt.

10 (c) If the debtor provides to a creditor a statement including some but not
11 all of the information required of a statement of coerced debt or provides an
12 oral statement of coerced debt without adequate documentation, the creditor
13 shall notify the debtor within five business days using the debtor's preferred
14 contact method, of the additional information needed to complete the
15 statement of coerced debt and of the adequate documentation requirement. If
16 the creditor provides this notice orally, the creditor shall inform the debtor of
17 the option to receive the notice in writing.

18 (d) A creditor who provides the debtor with Model Form A-1 complies
19 with the requirement in subsection (c) of this section to notify the debtor of the
20 additional information needed to complete the statement of coerced debt with
21 adequate documentation.

1 ~~(e) Any written notice under this section must be provided to a debtor in~~
2 both English and Spanish. If the creditor provides oral interpretation services
3 or otherwise communicates with a debtor in any language other than English,
4 the creditor shall provide the notice, orally or in writing, required under this
5 subsection to the debtor in the debtor's preferred language.

6 (f) The Commissioner of Financial Regulation shall publish Model Form
7 A-1 in English and Spanish.

8 (g) The Commissioner may publish Model Form A-1 in any other language
9 the Commissioner determines is the first language of a significant number of
10 consumers in Vermont. This determination shall be based, at the discretion of
11 the Commissioner, either on the numerical percentages of all consumers in
12 Vermont for whom English or Spanish is not a first language or in a manner
13 consistent with any rules adopted by the Department of Financial Regulation
14 for this purpose.

15 (h) Model Form A-1 shall be substantially in the following form:

16 MODEL FORM A-1 FOR CREDITORS TO PROVIDE DEBTORS

17 [Creditor name:

18 Address:

19 Email address:

20 Telephone number:

21 website URL where this form can be filled out online]

1 [Debtor's name]

2 [Debtor's preferred contact information: debtor may provide a telephone
3 number, email address, physical address, or the address of a third party]

4 You have given us information about a debt that may have been taken out
5 because someone used your personal information without your permission or
6 because someone intimidated, threatened, forced, or manipulated you into
7 taking out this debt.

8 For example, an abusive partner could have taken out a credit card or loan
9 in your name without your knowledge or permission or pressured you into
10 taking out credit to buy a car, television, computer, or other item and
11 threatened you with harm if you refused.

12 Questions: To stop collection of this debt, you need to answer the questions
13 below. If you do not know the answer, you can explain why you do not know
14 the answer.

15 1. Did you sign for or agree to the debt?

16 2. If you did sign or agree to the debt, was it because someone threatened
17 you or used intimidation, force, manipulation, theft, or other forms of control
18 to take out the debt in your name? If yes, please describe how it happened.

19 3. If you did not sign or agree to the debt, do you know who used your
20 information to take out the debt? If yes, please describe.

1 ~~4. What is your preferred contact method and contact information? You~~
2 ~~can provide a telephone number, email address, physical address, safe address,~~
3 ~~or the contact information of another trusted person you want to receive~~
4 ~~information for you because you are concerned about your safety.~~

5 Supporting Documentation: Please include any one of the documents
6 below that show that the debt was taken out by someone who you were in an
7 abusive relationship with and threatened you or used intimidation, force,
8 manipulation, theft, or other forms of control to take out the debt in your
9 name.

10 You only need to send one, but you may provide more than one.

11 1. A police report that includes information about the debt and how it was
12 taken out.

13 2. A Federal Trade Commission identity theft report that you can complete
14 yourself online at idtheft.gov.

15 3. A court order that includes information about the debt and how it was
16 taken out.

17 4. A sworn written certification from a qualified third-party professional
18 you talked with about this debt. The statement should include who they are,
19 where they work, their contact information, and information you shared with
20 them about the debt and how it was taken out. The third party may be:

21 ~~(a) an officer of the court or law enforcement personnel,~~

1 (b) a licensed staff member of a program that provides assistance to
2 persons regarding domestic violence, sexual assault, stalking, human
3 trafficking or abuse of children, older adults, or dependent adults; or

4 (c) a licensed attorney or a health care provider as defined in 18 V.S.A.
5 § 9402(7).

6 5. Any other document such as [a divorce decree, restraining order,
7 protection from abuse order] or other document that includes information
8 about the debt and how it was taken out.

9 We need to receive your answers to the above questions and at least one
10 document supporting your claim before we stop collecting on the debt.
11 Within 30 days after we receive this information, we will do all of the
12 following:

13 1. Stop all attempts to collect the coerced debt from you.

14 2. Notify you in writing that we are stopping all attempts to collect the debt
15 from you.

16 3. Contact the consumer reporting agencies to which we gave information
17 about you and the coerced debt and request that they remove the information
18 from your credit report. Alternatively, we also have the right to challenge your
19 claim of coerced debt in court.

20 If you have questions, please contact us at: [Creditor's name, mailing
21 address, telephone number, and email address].

1 ~~For more information, see 9 V.S.A., chapter 63, subchapter 13.~~

2 (i) In connection with any communication related to a debtor's statement
3 of coerced debt, the creditor:

4 (1) shall only use the contact information the debtor provides in the
5 statement of coerced debt to contact the debtor and shall not use any other
6 contact information;

7 (2) shall not disclose the contact information the debtor provides in the
8 statement of coerced debt to any other person, including the perpetrator of the
9 coerced debt or joint account holders, without the debtor's express written
10 authorization; and

11 (3) may request that the debtor provide the identity of the perpetrator of
12 coerced debt, if known, and contact information for that person if known.

13 § 2495d. CIVIL LEGAL REMEDIES

14 (a) A debtor is not liable for coerced debt. A debtor may raise as a defense
15 in any forum and by any allowable procedure that a particular debt, or portion
16 thereof, is coerced debt.

17 (b) The debtor establishes a prima facie case that a debt is coerced debt by
18 providing a statement of coerced debt and adequate documentation. If the
19 creditor has a good faith basis to believe that the debt is not coerced debt, the
20 creditor may seek a court order in a court of competent jurisdiction declaring

1 ~~the debt is not a coerced debt. In such a suit, the creditor has the burden to~~
2 ~~disprove the debt is coerced debt.~~

3 (c) A person who is found to be a perpetrator of coerced debt by a court of
4 competent jurisdiction shall be civilly liable to the creditor. The perpetrator of
5 coerced debt may also be civilly liable to the debtor to the extent that the
6 debtor made payments or incurred costs related to the coerced debt.

7 (d) A creditor may use all legal rights and remedies to collect the coerced
8 debt from the perpetrator of coerced debt.

9 (e) In any court action, the presiding court shall take appropriate steps
10 necessary to protect the debtor or an immediate family member of the debtor
11 from an alleged perpetrator of coerced debt by, among other things, sealing
12 court records, redacting personally identifiable information about the debtor
13 and any immediate family member of the debtor, and directing that any
14 deposition or evidentiary hearing be conducted remotely.

15 (f) Any creditor who fails to comply with any provision of section 2495c
16 of this subchapter is liable to the debtor in an amount equal to the sum of:

17 (1) any actual damages sustained by the debtor as a result of such
18 noncompliance;

19 (2)(A) in the case of any action by an individual, such additional
20 damages as the court may allow, but not exceeding \$5,000.00 per violation

21 indexed annually for inflation, or

1 (B) in the case of a class action:

2 (i) such amount for each named plaintiff as could be recovered
3 under subdivision (A) of this subdivision (f)(2); and

4 (ii) such amount as the court may allow for all other class
5 members, without regard to a minimum individual recovery, not to exceed the
6 lesser of \$500,000.00 indexed annually for inflation or one per centum of the
7 net worth of the debtor;

8 (iii) court costs and reasonable attorney's fees as determined by
9 the court; and

10 (iv) punitive damages if the court finds the creditor's
11 noncompliance was willful.

12 (g) The provisions of this subchapter apply to lawsuits filed in this State,
13 regardless of whether a related contract provides that the law of another state is
14 chosen.

15 § 2495e. CREDITOR REMEDIES

16 Nothing in this subchapter diminishes the rights of a creditor to seek
17 payment recovery for a coerced debt from the person who caused the debtor to
18 incur the coerced debt.

1 ~~Sec. 2. DEBT COLLECTION RULES~~

2 ~~On or before January 1, 2027, the Attorney General shall amend Vermont's~~
3 ~~Consumer Protection Rule 104 on Debt Collection to ensure debt collection~~
4 ~~practices conform with the requirements of 9 V.S.A. chapter 63, subchapter 13.~~

5 Sec. 3. 9 V.S.A. § 2480d is amended to read:

6 § 2480d. PROCEDURE IN CASE OF DISPUTED ACCURACY

7 (a) If the completeness or accuracy of any item of information contained in
8 the consumer's file is disputed by the consumer and the consumer notifies the
9 credit reporting agency directly of such dispute, the agency shall reinvestigate
10 free of charge and record the current status of the disputed information on or
11 before 30 business days after the date the agency receives notice from the
12 consumer.

13 (b) On or before five business days after the date a credit reporting agency
14 receives notice of a dispute from a consumer in accordance with subsection (a)
15 of this section, the agency shall provide notice of the dispute to all persons
16 who provided any item of information in dispute.

17 (c) Notwithstanding subsection (a) of this section, a credit reporting agency
18 may terminate a reinvestigation of information disputed by a consumer under
19 such subsection if the agency reasonably determines that such dispute by the
20 consumer is frivolous or irrelevant. Upon making such a determination, a
21 ~~credit reporting agency shall promptly notify the consumer of such~~

1 ~~determination and the reasons therefor, by mail, or if authorized by the~~
2 consumer for that purpose, by telephone. The presence of contradictory
3 information in the consumer's file does not in and of itself constitute
4 reasonable grounds for determining the dispute is frivolous or irrelevant.

5 (d) In conducting a reinvestigation under subsection (a) of this section, the
6 credit reporting agency shall review and consider all relevant information
7 submitted by the consumer with respect to such disputed information.

8 (e) If, after a reinvestigation under subsection (a) of this section of any
9 information disputed by a consumer, the information is found to be inaccurate
10 or cannot be verified, the credit reporting agency shall promptly delete such
11 information from the consumer's file. For purposes of this section,
12 "information" shall not include other information in the same item that is not
13 disputed by the consumer.

14 (f) If any information is deleted after a reinvestigation under subsection (a)
15 of this section, the information may not be reinserted in the consumer's file
16 after deletion unless the person who furnishes the information reinvestigates
17 and states in writing or by electronic record to the agency that the information
18 is complete and accurate. Such furnisher shall not provide such statement
19 unless the furnisher reasonably believes that the information is complete and
20 accurate. Upon such reinvestigation and statement by the furnisher, the credit
21 reporting agency shall promptly notify the consumer of any reinsertion.

1 ~~(c) A credit reporting agency shall provide written notice of the results of~~
2 any reinvestigation under this subsection within five business days of
3 following the completion of the reinvestigation, by mail or, if authorized by
4 the consumer for that purpose, by telephone. This notice shall include:

5 (1) a statement that the reinvestigation is complete;

6 (2) a statement of the determination of the agency on the completeness
7 or accuracy of the disputed information;

8 (3) a credit report that is based upon the consumer's file as that file is
9 revised as a result of the reinvestigation;

10 (4) a description of the manner in which the information disputed by the
11 consumer has been altered, changed, deleted, or modified in the consumer's
12 credit report;

13 (5) a description of the procedure used to determine the accuracy and
14 completeness of the information, including the name, business address, and, if
15 available, the telephone number of any person contacted in connection with
16 such information; and

17 (6) a notification that the consumer has the right, pursuant to 15 U.S.C.
18 § 1681i, to add a statement to the consumer's file disputing the accuracy or
19 completeness of the information.

20 (h) If a consumer asserts that a debt or any portion of a debt is the result of
21 coerced debt as defined in subdivision 2495a(3) of this title and provides to the

1 ~~consumer reporting agency either a court order of relief pursuant to subsection~~
2 2495d(b) of this title or a statement of coerced debt as defined in subdivision
3 2495a(10) of this title and adequate documentation as defined in subdivision
4 2495a(2) of this title, the consumer reporting agency shall reinvestigate the
5 debt pursuant to this section. If after the reinvestigation it is determined that
6 the debt is the result of coerced debt, the consumer reporting agency shall
7 remove any reference to the debt or any portion of the debt determined to be
8 the result of coerced debt from the consumer's credit report. As used in this
9 section, "statement of coerced debt" means a signed statement that includes:

10 (1) an assertion that the debtor is a survivor of domestic abuse,
11 economic abuse, or human trafficking;

12 (2) a recitation of the facts supporting the claim that the debt is coerced;

13 and

14 (3) if only a portion of the debt is claimed to be coerced debt, an
15 itemization of the portion of the debt that is claimed to be coerced debt.

16 Sec. 4. 9 V.S.A. § 2480k is amended to read:

17 § 2480k. COMPLAINTS TO LAW ENFORCEMENT AGENCIES

18 A person who has learned or reasonably suspects that ~~his or her~~ the person's
19 personal identifying information has been unlawfully used by another, as
20 described in 13 V.S.A. § 2030(a) 2030, may make a complaint about the
21 unlawful use of personal identifying information to the State Police or to the

1 ~~person's local law enforcement agency. The law enforcement agency shall~~
2 take the complaint and provide the complainant with a copy of the complaint,
3 the name of the law enforcement officer taking the complaint, and an incident
4 number or case number assigned to the complaint by the law enforcement
5 agency. If the suspected crime was committed in a different jurisdiction, the
6 law enforcement agency shall take the complaint and provide the complainant
7 with a copy of the complaint, the name of the law enforcement officer taking
8 the complaint, and an incident number or case number assigned to the
9 complaint by the law enforcement agency and refer the complaint to a law
10 enforcement agency in that different jurisdiction.

11 Sec. 5. EFFECTIVE DATE

12 ~~This act shall take effect on July 1, 2026.~~

Sec. 1. 9 V.S.A. chapter 63, subchapter 13 is added to read:

Subchapter 13. Coerced Debt

§ 2495a. DEFINITIONS

As used in this subchapter:

(1) "Adequate documentation" means at least one of the following:

(A) a copy of a report filed with a federal, state, or local law enforcement agency that identifies the coerced debt and the circumstances under which the coerced debt was incurred, the filing of which subjects the

person filing the report to criminal penalties for filing false information if, in fact, the information in the report is false;

(B) a court order finding that the debt was coerced; or

(C) a sworn certification from a qualified third-party professional regarding the debtor's claim of coerced debt.

(2) "Coerced debt" means all or a portion of secured or unsecured debt solely or jointly in a debtor's name that:

(A) was incurred as a result of domestic abuse, human trafficking, or the abuse, neglect, or exploitation of a vulnerable adult and the perpetrator's:

(i) use of the debtor's personal information without the debtor's knowledge, authorization, or consent; or

(ii) use or threat of force, intimidation, undue influence, fraud, deception, coercion, or other similar means against the debtor;

(B) is not a mortgage loan as defined in 8 V.S.A. § 2101(15); and

(C) is not a commercial loan as defined in 8 V.S.A. § 2101(2).

(3) "Creditor" means a person, or the person's successor, assignee, or agent, claiming to own or have the right to collect a debt owed by the debtor.

(4) "Debtor" means a person who:

(A) owes coerced debt; and

(B) is a survivor of domestic abuse or human trafficking; or

(C) is a vulnerable adult who is a survivor of abuse, neglect, or exploitation as those terms are defined under 33 V.S.A. chapter 69.

(5) “Domestic abuse” has the same meaning as abuse in 15 V.S.A. § 1101(1).

(6) “Future abuse” means abuse as defined in 15 V.S.A. § 1101(1), except that the abuse need not occur between family or household members.

(7) “Good faith” has the same meaning as provided in 9A V.S.A. § 1–201(b)(20).

(8) “Human trafficking” has the same meaning as in 13 V.S.A. § 2652 or 2653.

(9) “Perpetrator of coerced debt” or “perpetrator” means an individual who causes or is alleged to have caused coerced debt to be incurred by another.

(10) “Qualified third-party professional” means any of the following individuals who do not have a conflict of interest:

(A) an officer of the court or law enforcement personnel;

(B) a court-appointed special advocate;

(C) a crisis worker as defined in 12 V.S.A. § 1614(a)(1) employed at a program that assists survivors of domestic violence, sexual assault, stalking, human trafficking, or abuse of children, and who has relevant training or expertise;

(D) a licensed attorney; or

(E) a health care provider as defined in 18 V.S.A. § 9402(7).

(11)(A) “Statement of coerced debt” means a sworn written statement by a debtor provided by mail to a creditor that includes the following information:

(i) identification of the debt, or portion of the debt, alleged to be coerced debt;

(ii) if available, a description of the circumstances under which the coerced debt was allegedly incurred;

(iii) a statement by the debtor disclosing that the debtor did not willingly authorize the use of the debtor’s name or personal information to incur such debt;

(iv) any information known by the debtor, including account information or credit card information and, if applicable, the name of any other individual in whose name such debt was jointly incurred;

(v) the identity of and contact information for the perpetrator, if known, unless the debtor signs a sworn statement that disclosing such information is likely to result in future abuse to the debtor or to a member of the debtor’s immediate family;

(vi) the debtor’s preferred language and contact method and information such as a telephone number, email address, physical address, or

safe address for either the debtor or a third party whom the debtor designates to receive information about the coerced debt, which shall be specified by the debtor; and

(vii) any other documents the debtor deems appropriate to support the statement.

(B) As used in subdivision (A) of this subdivision (11), “mail” means certified mail, certificate of mailing, or any other similar first-class mail tracking method used or approved by the U.S. Postal Service, including Intelligent Mail barcode Tracing (IMb Tracing). The term also includes any electronic or digital transmission that provides a verifiable date, timestamp, or tracking capability.

(C) A statement of coerced debt shall be notarized or shall include the following language inserted above the debtor’s signature and date:

“I declare that the above statement is true and accurate to the best of my knowledge and belief. I understand that if the above statement is false, I will be subject to the penalty of perjury or to other sanctions in the discretion of the court.”

(12) “Sworn certification” means a written statement by a qualified third-party professional in the following form:

CERTIFICATION OF QUALIFIED THIRD-PARTY PROFESSIONAL

I, (name of qualified third-party professional), do hereby certify under penalty of perjury as follows:

1. I am a qualified third-party professional as defined in 9 V.S.A. § 2495a(10) who has had in-person contact or face-to-face contact through an electronic medium with (name of debtor).

2. Based on my professional interactions with the debtor and information presented to me in my professional capacity, I have a reasonable basis to believe (name of debtor) is a survivor of domestic abuse or human trafficking or is a vulnerable adult who is a survivor of abuse, neglect, or exploitation, and has incurred all or a portion of debt that is coerced debt.

3. Based on my professional interactions with the debtor and on information presented to me, I have reason to believe that the circumstances under which the coerced debt was incurred are as follows:

4. The following debts or portions of the debts have been identified to me as coerced:

I attest that the foregoing is true and correct.

(Printed name of qualified third-party professional)

(Signature of qualified third-party professional)

(Business address and business telephone)

(Date)

§ 2495b. COERCED DEBT PROHIBITED

A person shall not cause another person to incur coerced debt.

Substantiated coerced debt is not enforceable against the debtor.

§ 2495c. CREDITOR'S CONDUCT PURSUANT TO A DEBTOR'S

STATEMENT OF COERCED DEBT

(a) Within 10 business days following receipt of a debtor's statement of coerced debt and adequate documentation, a creditor shall:

(1) cease all collection activities and refrain from selling, assigning, or otherwise transferring for consideration such debt;

(2) notify the debtor it has ceased all collection activities pending further review of the claim; and

(3) notify any credit reporting agency to which it furnished adverse information about such debt that the debtor disputes the accuracy of the adverse information.

(b) If a debtor notifies a creditor that a particular debt being collected, or a portion thereof, is coerced debt, but does not provide all the information required under subsection (a) of this section or provides such notice orally, and if such creditor does not cease such collection activities, then within 10 business days after receipt of the debtor's notice of the coerced debt, the creditor shall inform the debtor that additional written information is required

and shall provide the debtor with Model Form A-1, as described in subsection (g) of this section.

(c)(1) Within 30 days following receipt of a debtor's statement of coerced debt and adequate documentation, the creditor shall complete a reasonable investigation of the disputed information, which shall include a review of all information provided by the debtor and any other relevant information available to the creditor and, upon completion of the investigation, make a determination as to the accuracy of the debtor's claim of coerced debt.

(2) The 30-day period described in subdivision (1) of this subsection may be extended for up to an additional 15 days if the creditor receives supplementary information from the debtor during that 30-day period that is relevant to the investigation.

(d) Within five business days after making a determination under subsection (c) of this section, the creditor shall notify the debtor of such determination in writing and shall provide a good faith basis for the determination. The notice shall not include personally identifiable information of another person. If the creditor:

(1) determines the disputed debt is coerced debt, the creditor shall notify the debtor that it is ceasing collection activities and contact any consumer reporting agencies to which it furnished adverse information about the

debtor's coerced debt and request that such information be deleted from the debtor's file and credit report; or

(2) determines the available information does not establish that the disputed debt is coerced debt, the creditor may recommence collection activities; however, the creditor is prohibited from selling, assigning, or otherwise transferring such debt.

(e) All communications from the creditor to a debtor under this section shall be made using only the debtor's preferred contact method and, in addition, the creditor shall make reasonable efforts to use the debtor's preferred language as identified in the debtor's statement of coerced debt.

(f) In connection with a statement of coerced debt, the creditor:

(1) shall not disclose the contact information the debtor provides in the statement of coerced debt to any other person, including the perpetrator or joint account holders, without the debtor's express written authorization, unless directed or authorized to do so by court order; and

(2) may request that the debtor provide the identity of and contact information for the perpetrator, if known, unless the debtor signs a sworn statement that disclosing such information is likely to result in abuse to the debtor or to a member of the debtor's immediate family.

(g) Model Form A-1 shall be developed by the Commissioner of Financial Regulation, posted in English and Spanish on a publicly accessible website

maintained by the Department of Financial Regulation, and substantially in the following form:

MODEL FORM A-1 FOR CREDITORS TO PROVIDE TO DEBTORS

[Creditor name:

Address:

Email address:

Telephone number:

Website URL where this form can be filled out online]

[Debtor's name]

[Debtor's preferred contact information: debtor may provide a telephone number, email address, physical address, or the address of a third party]

[Debtor's preferred language]

You have given us information about a debt that may have been taken out because someone used your personal information without your permission or because someone intimidated, threatened, forced, or manipulated you into taking out this debt.

For example, an abusive partner could have taken out a credit card or loan in your name without your knowledge or permission or pressured you into taking out credit to buy a car, television, computer, or other item and threatened you with harm if you refused.

Questions: To temporarily or permanently stop collection of this debt, you need to answer the questions below. If you do not know the answer, you can explain why you do not know the answer.

1. Did you sign for or agree to the debt?

2. If you did sign for or agree to the debt, was it because someone threatened you or used intimidation, force, manipulation, theft, or other forms of control to take out the debt in your name? If yes, please describe how it happened.

3. If you did not sign for or agree to the debt, do you know who used your information to take out the debt? If yes, please describe.

4. What is your preferred contact method and contact information? You can provide a telephone number, email address, physical address, safe address, or the contact information of another trusted person you want to receive information for you because you are concerned about your safety.

Supporting Documentation: Please include at least one of the documents below that show that the debt was taken out by someone who threatened you or used intimidation, force, manipulation, theft, or other forms of control to take out the debt in your name. You only need to send one, but you may provide more than one.

1. A copy of a report filed with a federal, state, or local law enforcement agency that identifies the coerced debt and the circumstances under which the

coerced debt was incurred, the filing of which subjects the person filing the report to criminal penalties for filing false information if, in fact, the information in the report is false;

2. A court order finding that the debt was coerced; or

3. A sworn certification from a qualified third-party professional you talked with about this debt. The statement should include who the person is, where the person works, the person's contact information, and information you shared with the person about the debt and how it was taken out. The third party may be:

(a) an officer of the court or law enforcement personnel;

(b) a court-appointed special advocate;

(c) a crisis worker as defined in 12 V.S.A. § 1614(a)(1) employed at a program that assists survivors of domestic violence, sexual assault, stalking, human trafficking, or abuse of children, and who has relevant training or expertise;

(d) a licensed attorney; or

(e) a health care provider as defined in 18 V.S.A. § 9402(7).

In addition to the required documentation, you may include any other document [such as a divorce decree, restraining order, protection from abuse order or another document] that includes information about the debt and how it was taken out.

We need to receive your answers to the above questions and at least one document supporting your claim before we stop collecting on the debt.

Within 30 days after we receive this information, we will do all of the following:

1. Notify you in writing that we are stopping all attempts to collect the debt from you, pending our review of your claim.

2. Review your claim and make a determination as to whether you should be relieved from liability for the coerced debt.

3. Contact the consumer reporting agencies to which we gave information about you and the coerced debt and request that they remove the information from your file and credit report. Alternatively, we also have the right to challenge your claim of coerced debt in court, subject to legal protections for victims of coerced debt.

Your statement of coerced debt must be notarized or certified as true and accurate by you under penalty of perjury.

If you have questions, please contact us at: [creditor's name, mailing address, telephone number, and email address]. If you prefer to communicate with us by email, please confirm with us by telephone our correct email address for submitting information about the debt so we can ensure a timely response.

For more information, see 9 V.S.A. chapter 63, subchapter 13.

(h) With respect to coerced debt secured by tangible personal property, nothing in this subchapter shall affect a creditor's right to enforce a security interest upon default under 9A V.S.A. article 9 (Uniform Commercial Code - Secured Transactions), including repossession, surrender, or court-ordered seizure of the subject collateral. However, a creditor is prohibited from collecting or seeking to collect any deficiency from the victim of coerced debt.

§ 2495d. CIVIL LEGAL REMEDIES

(a)(1) A debtor shall not be liable to a creditor for coerced debt.

(2) In any action initiated by a creditor to seek collection of a debt from a debtor, the debtor may establish a prima facie case that the debt is coerced debt by submitting a statement of coerced debt and adequate documentation. If the debtor establishes a prima facie case of coerced debt, the creditor shall bear the burden of proving, by a preponderance of the evidence, that the debt is not coerced debt.

(b) If a court finds a debt is coerced debt:

(1) the court shall vacate any previous default judgment issued against the debtor on the coerced debt;

(2) the creditor shall have a cause of action against the perpetrator; and

(3) the debtor shall have a cause of action against the perpetrator for any payments made or costs incurred by the debtor in connection with the coerced debt.

(c) This section shall not be construed to limit or infringe upon any other rights or remedies available under common law or any other provision of law or rule.

(d) If a debtor signs a sworn statement that disclosing the identity of and contact information for the perpetrator is likely to result in future abuse to the debtor or a member of the debtor's immediate family, the creditor may file a motion requesting a hearing to determine the danger of future abuse to the debtor or to a member of the debtor's immediate family. The debtor shall bear the burden of proving by a preponderance of the evidence that, if the debtor discloses the identity of and contact information for the perpetrator, the perpetrator poses a danger of future abuse to the debtor or to a member of the debtor's immediate family. If the court finds that the debtor meets this burden, the debtor shall not be required to disclose the information. If the debtor does not meet this burden, the court shall order the debtor to disclose the identity of, and, if known, the contact information of the perpetrator.

(e) In any action involving an alleged coerced debt, upon motion of the debtor, the court may seal court records in accordance with Rule 9 of the Vermont Rules for Public Access to Court Records, redact personally identifiable information, or direct that any deposition or evidentiary hearing be conducted remotely to protect the debtor or a member of the debtor's immediate family from a perpetrator. A debtor seeking a relief from abuse

order or an order against stalking or sexual assault shall do so in accordance with 15 V.S.A. chapter 21 or 12 V.S.A. chapter 178, respectively.

(f) The provisions of this subchapter apply in any action brought in a court of this State, notwithstanding a contractual choice-of-law provision.

(g) Nothing in this subchapter shall be construed to preclude a creditor from seeking recourse under applicable law for a claim of coerced debt that is knowingly and materially false.

(h) A perpetrator shall not be a necessary party to an action between a creditor and a debtor under this subchapter. However, no finding in such an action shall be binding on a person who was not a party to the action.

(i) An action by a debtor against a perpetrator shall be commenced within six years after the date the debtor discovered or reasonably should have discovered the coerced debt or within six years after the coercion or abuse giving rise to the debt ceased, whichever is later.

(j) An action by a creditor against a perpetrator shall be commenced within six years after the date the creditor received the debtor's statement of coerced debt and adequate documentation or received notice of the identity of the perpetrator, whichever is later.

§ 2495e. VIOLATIONS

(a) A person who knowingly and materially violates this subchapter commits an unfair and deceptive act in trade and commerce in violation of section 2453 of this title.

(b) The Attorney General has the same authority to make rules, conduct civil investigations, enter into assurances of discontinuance, and bring civil actions as provided under subchapter 1 of this chapter.

§ 2495f. CONFIDENTIALITY

(a) Except as otherwise expressly provided in this subchapter or required by law, any financial and personally identifying information related to a claim of coerced debt that is shared by a debtor pursuant to the provisions of this subchapter shall not be disclosed by the recipient without the express consent of the debtor, unless such disclosure is authorized by court order.

(b) Information or material that is subject to privilege protections under federal or state law that is shared by the debtor pursuant to the provisions of this subchapter shall not be disclosed by the recipient, unless the debtor expressly waives the privilege, or the privilege is waived by an express provision of law.

(c) Any record or information produced or acquired by a public body pursuant to the provisions of this subchapter that contains financial or personally identifiable information related to a claim of coerced debt shall be

kept confidential and shall be exempt from public inspection or copying under Vermont's Public Records Act. This exemption shall not be subject to 1 V.S.A. § 317(e).

Sec. 2. 9 V.S.A. § 2480d is amended to read:

§ 2480d. PROCEDURE IN CASE OF DISPUTED ACCURACY; COERCED DEBT

(a) *If the completeness or accuracy of any item of information contained in the consumer's file is disputed by the consumer and the consumer notifies the credit reporting agency directly of such dispute, the agency shall reinvestigate free of charge and record the current status of the disputed information on or before 30 business days after the date the agency receives notice from the consumer.*

(b) *On or before five business days after the date a credit reporting agency receives notice of a dispute from a consumer in accordance with subsection (a) of this section, the agency shall provide notice of the dispute to all persons who provided any item of information in dispute.*

(c) *Notwithstanding subsection (a) of this section, a credit reporting agency may terminate a reinvestigation of information disputed by a consumer under such subsection if the agency reasonably determines that such dispute by the consumer is frivolous or irrelevant. Upon making such a determination, a credit reporting agency shall promptly notify the consumer of such*

determination and the reasons therefor, by mail, or, if authorized by the consumer for that purpose, by telephone. The presence of contradictory information in the consumer's file does not in and of itself constitute reasonable grounds for determining the dispute is frivolous or irrelevant.

(d) In conducting a reinvestigation under subsection (a) of this section, the credit reporting agency shall review and consider all relevant information submitted by the consumer with respect to such disputed information.

(e) If, after a reinvestigation under subsection (a) of this section of any information disputed by a consumer, the information is found to be inaccurate or cannot be verified, the credit reporting agency shall promptly delete such information from the consumer's file. For purposes of this section, "information" ~~shall~~ does not include other information in the same item that is not disputed by the consumer.

(f) If any information is deleted after a reinvestigation under subsection (a) of this section, the information may not be reinserted in the consumer's file after deletion unless the person who furnishes the information reinvestigates and states in writing or by electronic record to the agency that the information is complete and accurate. Such furnisher shall not provide such statement unless the furnisher reasonably believes that the information is complete and accurate. Upon such reinvestigation and statement by the furnisher, the credit reporting agency shall promptly notify the consumer of any reinsertion.

(g) A credit reporting agency shall provide written notice of the results of any reinvestigation under this subsection within five business days ~~of following~~ the completion of the reinvestigation, by mail or, if authorized by the consumer for that purpose, by telephone. This notice shall include:

(1) a statement that the reinvestigation is complete;

(2) a statement of the determination of the agency on the completeness or accuracy of the disputed information;

(3) a credit report that is based upon the consumer's file as that file is revised as a result of the reinvestigation;

(4) a description of the manner in which the information disputed by the consumer has been altered, changed, deleted, or modified in the consumer's credit report;

(5) a description of the procedure used to determine the accuracy and completeness of the information, including the name, business address, and, if available, the telephone number of any person contacted in connection with such information; and

(6) a notification that the consumer has the right, pursuant to 15 U.S.C. § 1681i, to add a statement to the consumer's file disputing the accuracy or completeness of the information.

(h) If a consumer provides notice to a consumer reporting agency that a debt or any portion of a debt is coerced debt and provides the consumer

reporting agency either a court order finding that the debt was coerced or a statement of coerced debt and adequate documentation, as those terms are defined in subchapter 13 of this chapter, the consumer reporting agency shall reinvestigate the debt pursuant to this section. If, after the reinvestigation, the credit reporting agency determines that the debt was coerced, the consumer reporting agency shall remove any reference to the debt, or any portion of the debt determined to be coerced debt, from the consumer's file and credit report.

Sec. 3. 9 V.S.A. § 2480k is amended to read:

§ 2480k. COMPLAINTS TO LAW ENFORCEMENT AGENCIES

A person who has learned or reasonably suspects that ~~his or her~~ the person's personal identifying information has been unlawfully used by another, as described in 13 V.S.A. § ~~2030(a)~~ 2030, may make a complaint about the unlawful use of personal identifying information to the State Police or to the person's local law enforcement agency. The law enforcement agency shall take the complaint and provide the complainant with a copy of the complaint, the name of the law enforcement officer taking the complaint, and an incident number or case number assigned to the complaint by the law enforcement agency. If the suspected crime was committed in a different jurisdiction, the law enforcement agency shall take the complaint and provide the complainant with a copy of the complaint, the name of the law enforcement officer taking the complaint, and an incident number or case number assigned to the

complaint by the law enforcement agency and refer the complaint to a law enforcement agency in that different jurisdiction.

Sec. 4. 8 V.S.A. chapter 200, subchapter 8 is added to read:

Subchapter 8. Protection from Financial Exploitation

§ 10801. FINDINGS AND INTENT

(a) The General Assembly finds that:

(1) A covered entity has a duty imposed by law and contract to conduct customer-directed transactions in a timely manner and in accordance with a customer's instructions.

(2) Customers are increasingly being induced to authorize transactions that are not in their best interests.

(b) It is the intent of the General Assembly to:

(1) ensure customers have ready access to their funds; and

(2) provide a covered entity with the tools and protections to intervene in a customer-directed transaction when the covered entity reasonably believes the transaction presents potential significant risk of harm to the customer.

(c) It is not the intent of the General Assembly to impose a duty on a covered entity to contravene the valid instructions of a customer, and nothing in this chapter creates such a duty.

§ 10802. DEFINITIONS

As used in this subchapter:

(1) “Account” means any deposit, share, custodial, trust, or transaction account, whether held individually or jointly, and whether checking, savings, money market, certificate of deposit, prepaid, or similar, that is established, maintained, or administered by a covered entity, through which the covered entity accepts, holds, disburses, or transfers funds of a customer. The term includes accounts held for the benefit of another, including fiduciary, guardianship, conservatorship, power of attorney, and representative payee accounts, to the extent the account is maintained by a covered entity.

(2) “Associated third party” means:

(A) a parent, spouse, adult child, sibling, or other family member of a customer whom a covered entity reasonably believes is closely associated with the customer;

(B) an individual the customer has authorized to be contacted by the customer’s covered entity;

(C) a co-owner, additional authorized signatory, or beneficiary on a customer’s account or an agent for the customer under a power of attorney; or

(D) a licensed attorney, trustee, conservator, guardian, or other fiduciary selected by a court or governmental agency to manage some or all of the financial affairs of the customer.

(3) “Covered entity” means a bank, trust company, or savings institution as defined in subdivision 11101(32) of this title or a credit union as

defined in subdivision 30101(5) of this title. The term also includes the subsidiaries and affiliates that provide financial services for such entity, as well as the directors, officers, employees, or agents of such entity.

(4) "Customer" means any person who establishes, maintains, or is a beneficiary of an account with a covered entity, including any person who owns, controls, or has a present or contingent legal or beneficial interest in funds held in the account, whether acting directly or through an agency, fiduciary, or representative.

(5) "Financial exploitation" means:

(A) the wrongful or unauthorized taking, withholding, appropriation, transfer, expenditure, or use of a customer's money, assets, or property; or

(B) any act or omission by a person, including by a fiduciary or other representative of the customer, whether acting under a power of attorney, guardianship, conservatorship, trust, or similar authority, that:

(i) obtains or attempts to obtain control over the customer's money, assets, or property through deception, intimidation, coercion, or undue influence, for the purpose or effect of depriving the customer of the ownership, use, benefit, or possession of the customer's money, assets, or property; or

(ii) converts or misuses the customer's money, assets, or property so as to deprive the customer of the ownership, use, benefit, or possession of the customer's money, assets, or property.

§ 10803. PROTECTIVE ACCOUNT ACTION

(a) If a covered entity reasonably believes that a customer is or has been the victim of financial exploitation or attempted financial exploitation, and such belief is based on information either individually observed or received from a State, local, or law enforcement agency, the covered entity may take one or more of the following measures to protect a customer's account:

(1) delay or refuse one or more transactions with or involving the customer;

(2) delay or refuse to permit the withdrawal or disbursement of funds contained in the customer's account;

(3) prevent a change in ownership of the customer's account;

(4) prevent a transfer of funds from the customer's account to an account owned wholly or partially by another person;

(5) refuse to comply with instructions given to the covered entity by an agent or person acting for or with an agent under a power of attorney signed or purported to have been signed by the customer; or

(6) prevent or change the designation of the beneficiaries to receive any property, benefit, or contract rights for the customer.

(b) A covered entity is not required to take protective action under this section with regard to a customer's account but may use its sole discretion to

determine whether taking such action is warranted based on the information available to it at the time.

(c)(1) The authority to delay a transaction under this section expires at the earlier of:

(A) 15 business days after the date on which the covered entity initiated the delay;

(B) when the covered entity is satisfied within its sole discretion that the transaction will not likely result in financial exploitation; or

(C) upon a court order directing the release of funds.

(2) Unless otherwise directed by a court order, the covered entity may extend the duration of the delay for up to an additional 15 days based on a reasonable belief that the financial exploitation or attempted financial exploitation of the customer may continue.

(d) Any refusal, delay, or other protective action taken by a covered entity in good faith under this section to prevent the financial exploitation of a customer shall:

(1) not constitute wrongful dishonor under 9A V.S.A. § 4—402;

(2) constitute reasonable grounds under the federal Check Clearing for the 21st Century Act, 12 U.S.C. § 5001 et seq., the Expedited Funds Availability Act, 12 U.S.C. § 4001 et seq., or related regulations, without imposing a duty to review every deposit or check individually; and

(3) not constitute a violation of 9A V.S.A. article 4A (fund transfers) or related funds transfer laws, and any delayed payment order is deemed received only when the hold is removed and the covered entity submits the order for processing.

§ 10804. ASSOCIATED THIRD PARTY; NOTIFICATIONS

(a) A covered entity may notify an associated third party, if any, if it reasonably believes that the financial exploitation or attempted financial exploitation of a customer is occurring or has occurred and such disclosure is in the best interests of the customer.

(b) A covered entity may choose not to notify an associated third party if it reasonably believes that the third party is, was, or may be engaged in the financial exploitation or attempted financial exploitation of the customer.

(c) A covered entity shall limit disclosures to an associated third party to only information necessary to convey its suspicion that the customer was or may be the victim or intended victim of financial exploitation.

(d) Any disclosure by a covered entity pursuant to this section is exempt from the financial privacy protections specified under subchapter 2 of this chapter and, to the extent permitted by federal law, under the Gramm-Leach-Bliley Act, 15 U.S.C. § 6801 et seq., as those laws may be amended.

§ 10805. IMMUNITY

When carrying out protective actions authorized by this subchapter, a covered entity shall be protected from civil, criminal, and administrative liability for any act or omission within the scope of its duties and authorized by this subchapter, provided the act or omission is in good faith and does not amount to gross negligence or willful misconduct.

§ 10806. CONSTRUCTION

This subchapter shall be liberally construed to encourage covered entities to take reasonable protective actions to prevent the financial exploitation of their customers.

Sec. 5. SUSPICIOUS TRANSACTION HOLDS; DATA COLLECTION;

REPORT

The Commissioner of Financial Regulation shall consult, at least annually, with representatives from the Vermont Bankers Association and the Association of Vermont Credit Unions, and any other relevant party determined by the Commissioner, for the purpose of collecting data about the number and dollar amount of suspicious transaction holds implemented by a covered entity pursuant to Sec. 4 of this act and report such information in aggregated form to the House Committee on Commerce and Economic Development and the Senate Committee on Finance on or before January 15, 2027, and annually thereafter.

Sec. 6. COERCED DEBT; DATA COLLECTION; REPORT

(a) Beginning on July 1, 2028, the Commissioner of Financial Regulation shall study the utilization of the coerced debt protections and remedies codified in 9 V.S.A. chapter 63, subchapter 13. In conducting such study, the Commissioner shall consult with representatives from the Vermont Network Against Domestic and Sexual Violence, the Vermont Bankers Association, the Association of Vermont Credit Unions, the Office of the Attorney General, Vermont Legal Aid, and any other person deemed appropriate by the Commissioner. Among other things, the study shall include an assessment of coerced debt claims with regard to:

(1) their frequency;

(2) creditor investigations;

(3) the presence of fraudulent or illegitimate claims;

(4) any challenges experienced by debtors or creditors in exercising their rights under the applicable subchapter; and

(5) any other matters deemed relevant and appropriate by the Commissioner.

(b) On or before November 15, 2029, the Commissioner shall report the Commissioner's findings and recommendations in draft form to the House Committee on Commerce and Economic Development and the Senate Committee on Finance.

Sec. 7. EFFECTIVE DATES; APPLICATION

(a) This section, Sec. 3 (complaints regarding claims of identity theft), Sec. 4 (suspicious banking transactions), and Sec. 5 (report on suspicious banking transactions) shall take effect on passage.

(b) Sec. 1 (coerced debt, creditor conduct, civil legal remedies), Sec. 2 (duty of credit reporting agency to reinvestigate coerced debt), and Sec. 6 (report on coerced debt) shall take effect on July 1, 2028, and shall apply to all outstanding coerced debt, including coerced debt incurred prior to July 1, 2028.