



**Section 20 of H.137 – Study on Protections for Victims of Coerced Debt**  
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Thank you for the opportunity to speak with the committee about Section 20 of H.137, a study on protections for victims of coerced debt.

As our state's leading voice on domestic and sexual violence, the Vermont Network advocates for policies that seek to uproot the causes of violence and support the well-being of survivors, their families, and Vermont communities.

Our members are 15 independent, non-profit organizations that offer direct services to survivors of violence and prevention programming in their communities. Together, they serve survivors in every town in Vermont.

Through our Member Organizations, we hear accounts from survivors of domestic violence whose lives are forever changed by economic abuse, like coerced debt.

Coerced debt occurs when a person utilizes coercive control, threats, or identity theft to incur debt in the name of an individual without their consent. The debt and resulting poor credit score can have long-term consequences, creating barriers to education, housing, and employment opportunities.

For example, we heard from a survivor in Vermont who is living in unsafe housing conditions because they cannot afford both needed home repairs and payments on coerced debt from an abusive partner they left over a decade ago. It is important to note that coerced debt can also impact other vulnerable populations, such as older adults, foster youth, and victims of human trafficking.

States – from Texas to Connecticut – have passed financial protections to provide relief to victims of coerced debt. In the fall, we began working with Representative Edye Graning on similar legislation to create a process for survivors to request creditors cease collecting on coerced debt and remove coerced debt from their credit report. The legislation is based on model language from the National Consumer Law Center.

The study included in Section 20 will be an important step forward towards implementing financial protections for victims of coerced debt. We look forward to working with the Department of Financial Regulation and other stakeholders in the off-session and revisiting this important issue next session.