



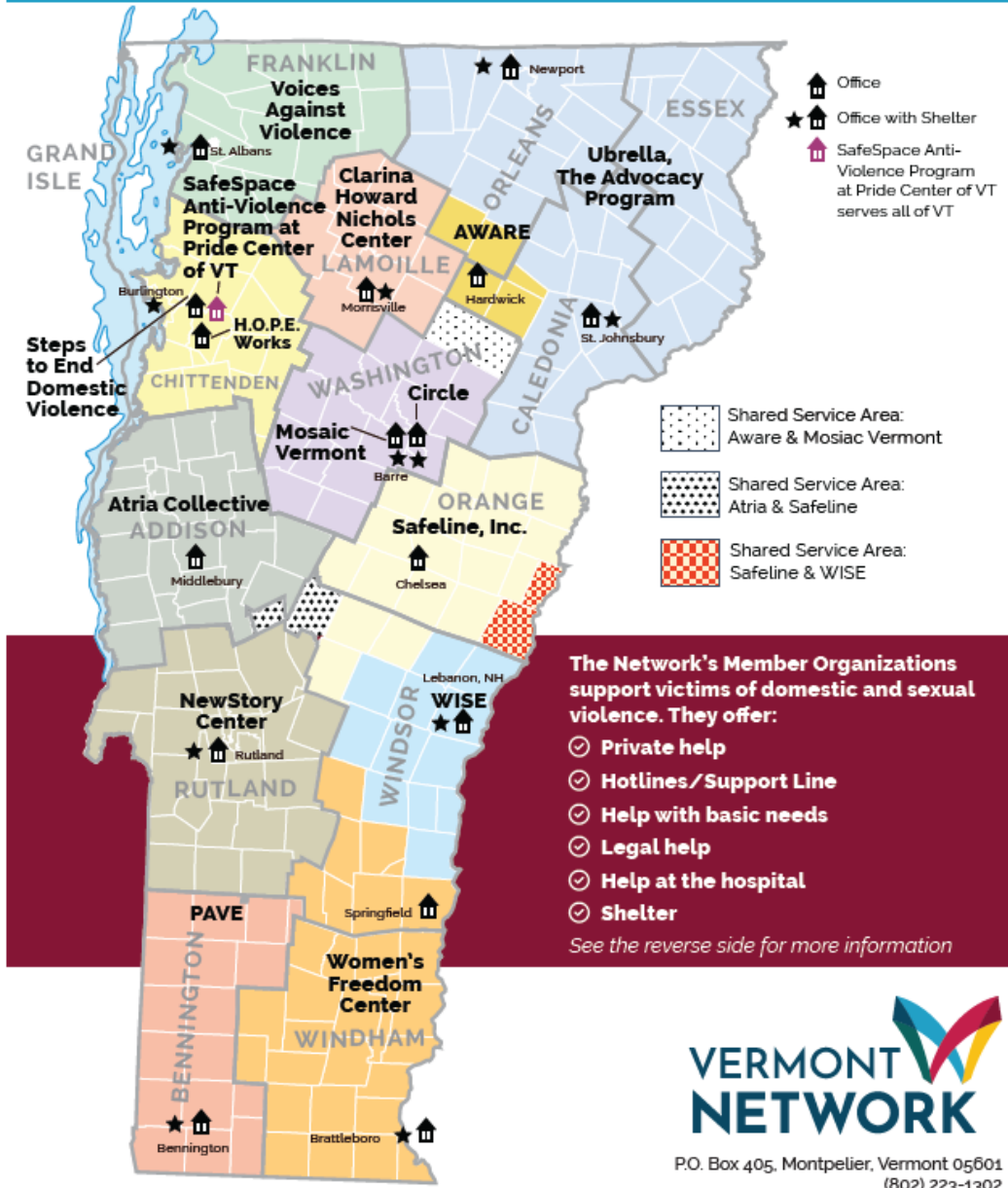
Protections for Victims of Coerced Debt (H.385)

April 30, 2026

Meeting the Needs of Survivors of Domestic and Sexual Violence

www.vtnetwork.org/get-help

Member Organizations of the Vermont Network Against Domestic and Sexual Violence



P.O. Box 405, Montpelier, Vermont 05601
(802) 223-1302

We need comprehensive, clear, and accessible protections for victims of coerced debt, like H.385.

They will **promote safety for victims and the integrity of our financial system.**

What is Coerced Debt?

- Coerced debt is a form of **economic abuse** used to undermine a victim's personal and economic independence.
- It occurs when a perpetrator uses **force, threats, fraud, manipulation, or identity theft** to incur debt in the name of a victim.

What is Coerced Debt?

- Coerced debt **occurs in the context of an abusive relationship** with a partner, family or household member, or caregiver.
- Coerced debt affects survivors of:
 - Domestic violence
 - Human trafficking
 - Elder abuse
 - Child abuse

Impacts of Coerced Debt

- With **unaffordable debt**, survivors cannot:
 - Leave an abusive partner and seek safety
 - Meet basic needs
 - Gain economic independence
- With **damaged credit scores**, survivors cannot:
 - Access affordable credit
 - Secure rental housing or buy a home
 - Further their education
 - Access employment

Stories of Victims of Coerced Debt

A victim of coerced debt had been in a long-term relationship with an abusive partner. Her partner threatened to physically harm her unless she co-signed an auto loan. She was unable to use the vehicle because he withheld access to the keys.

*Her partner did not pay on the loan. Years after she left him, she **could not secure a loan to buy a home or make needed repairs, because her credit was so damaged.***

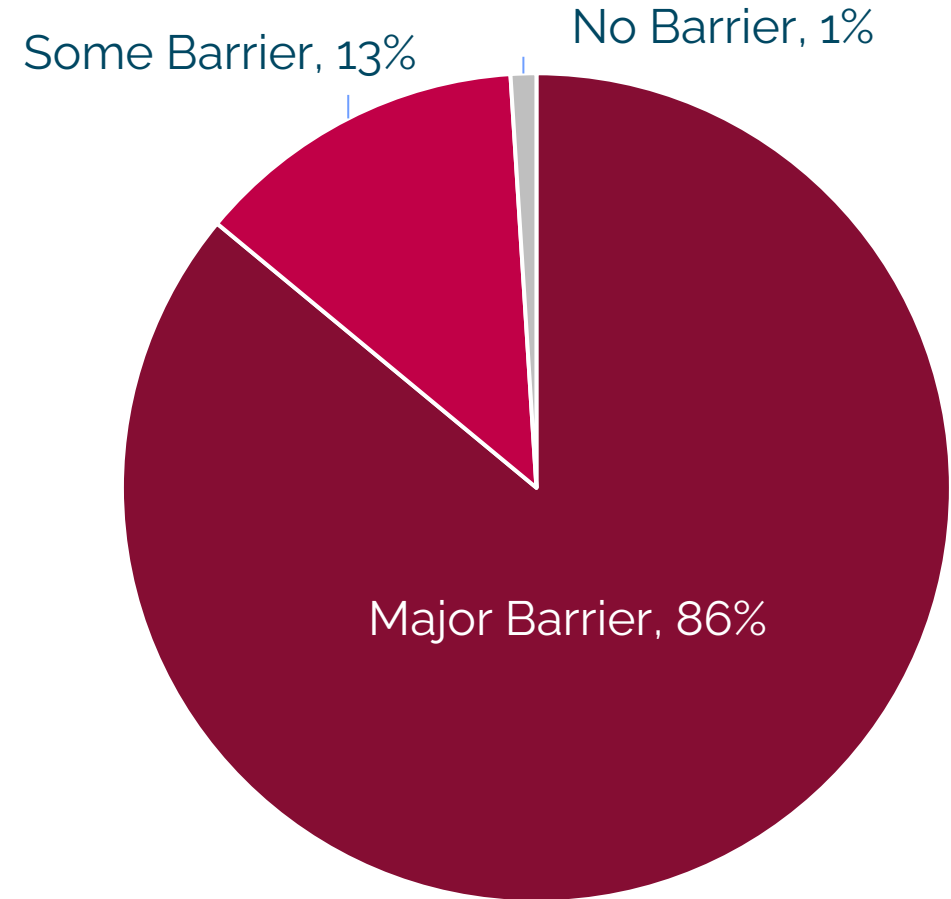
Stories of Victims of Coerced Debt

A victim of coerced debt was in a relationship with an abusive partner where, even after she left, she was intimidated into paying his living expenses on her credit card. In total, she estimates she was forced into over \$15,000 in credit card debt.

*Among many sacrifices, she had to take out a high interest loan **to cover expenses for her and her children while paying off the debt.***

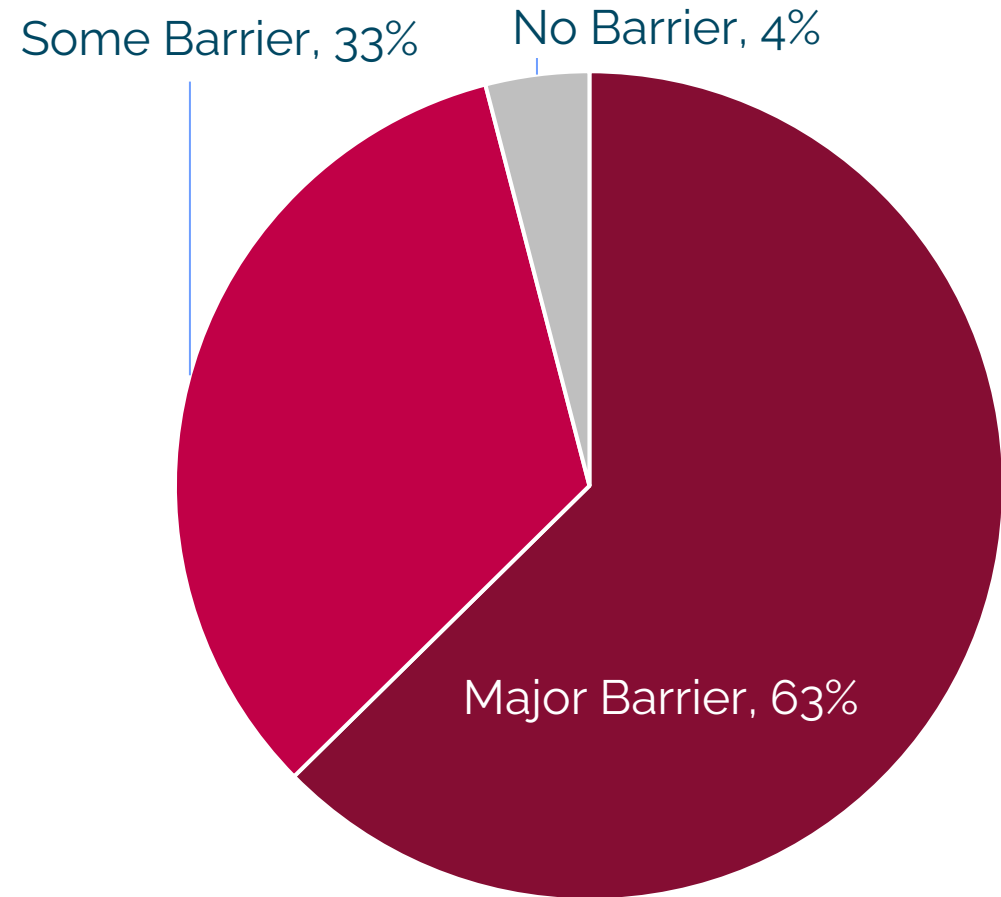
Survivors **cannot access or afford legal or other assistance** to dispute coerced debt.

2025 National Coerced Debt Survey, National Coerced Debt Working Group



Risk of future abuse or harassment from abusive partner or harm doer if survivor attempts to dispute coerced debt.

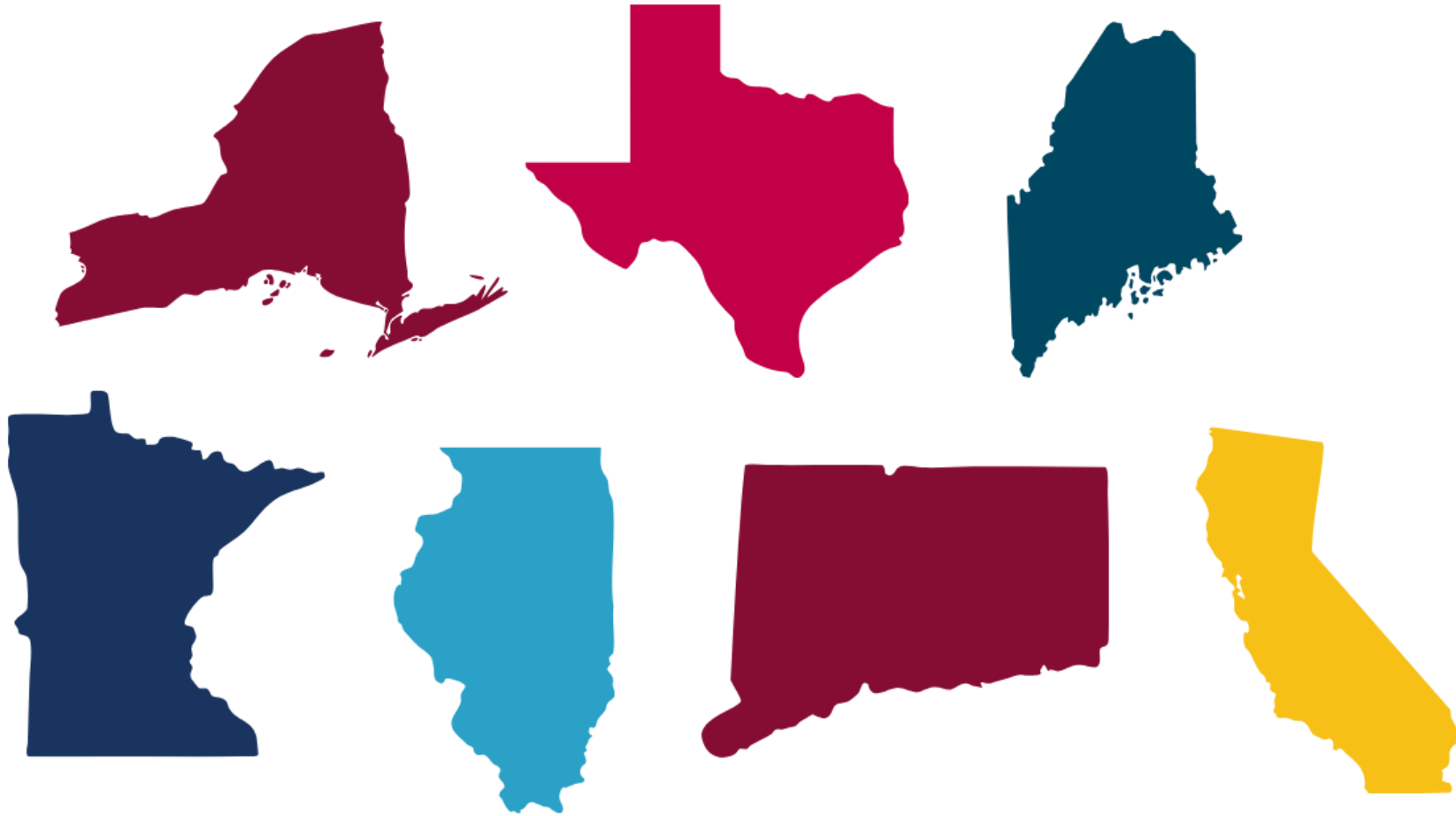
2025 National Coerced Debt Survey, National Coerced Debt Working Group



Process of Submitting a Coerced Debt Claim

- 1 • Discover Coerced Debt Protections
- 2 • Collect Information for Coerced Debt Statement
- 3 • Produce Written Statement of Coerced Debt
- 4 • Secure Supporting Documentation
- 5 • Submit Claim to Creditor in Writing
- 6 • Creditor Reviews Claim & Makes Determination
- 7 • If Needed, Civil Legal Action

Learnings from States with Coerced Debt Laws



Learnings from States with Coerced Debt Laws

A Texas direct services program received a grant to operate a coerced debt pilot program in the Dallas–Fort Worth region, which serves approximately **8 million people**—roughly 12 times the population of Vermont.

Over the **year-and-a-half pilot** period:

- 111 referrals were received (approximately 6–7 per month)
- 38 percent were identified as potentially involving coerced debt
- Direct services were provided to **19 survivors**.



Questions?