



General Assembly

**Amendment**

February Session, 2024

LCO No. 3729



Offered by:

SEN. MILLER P., 27<sup>th</sup> Dist.  
REP. DOUCETTE, 13<sup>th</sup> Dist.  
SEN. COHEN, 12<sup>th</sup> Dist.

To: Senate Bill No. 123

File No. 153

Cal. No. 118

**"AN ACT CONCERNING COERCED DEBT."**

1 Strike everything after the enacting clause and substitute the  
2 following in lieu thereof:

3 "Section 1. (NEW) (*Effective January 1, 2025*) As used in this section  
4 and sections 2 to 4, inclusive, of this act:

5 (1) "Claim" means a right to payment, regardless of whether such  
6 right is reduced to judgment, liquidated, unliquidated, fixed,  
7 contingent, matured, unmatured, disputed, undisputed, legal or  
8 equitable;

9 (2) "Claimant" (A) means an individual or entity that has, or purports  
10 to have, a claim against a debtor arising from coerced debt or allegedly  
11 coerced debt, or such individual's or entity's successor or assignee, (B)  
12 does not mean an individual who or entity that, or any successor or  
13 assignee of an individual who or entity that, caused a claim to arise

14 through duress, intimidation, threat of force, force or undue influence  
15 perpetrated against the debtor, and (C) includes, but is not limited to, a  
16 consumer collection agency, as defined in section 36a-800 of the general  
17 statutes;

18 (3) "Coerced debt" means any debt incurred (A) in the name of a  
19 debtor who is a victim of domestic violence, as defined in subsection (b)  
20 of section 46b-1 of the general statutes, and (B) as a result of any duress,  
21 intimidation, threat of force, force or undue influence;

22 (4) "Collection activities" means any activity of a claimant to collect  
23 or to attempt to collect, directly or indirectly, a debt owed, due or  
24 asserted to be owed or due, including, but not limited to, commencing  
25 or conducting an action in a court of competent jurisdiction;

26 (5) "Credit rating agency" has the same meaning as provided in  
27 section 36a-695 of the general statutes;

28 (6) "Debt" means an unsecured debt, or any portion of an unsecured  
29 debt, incurred on or after January 1, 2025, for personal, family or  
30 household use;

31 (7) "Debtor" means an individual against whom a claimant asserts a  
32 claim arising from coerced debt or allegedly coerced debt;

33 (8) "Immediate family member" has the same meaning as provided in  
34 section 36a-485 of the general statutes;

35 (9) "Negative information" has the same meaning as provided in 15  
36 USC 1681s-2, as amended from time to time;

37 (10) "Qualified third-party professional" means a domestic violence  
38 counselor or sexual assault counselor, as those terms are defined in  
39 section 52-146k of the general statutes, a psychiatrist licensed under  
40 chapter 370 of the general statutes, a psychologist licensed under  
41 chapter 383 of the general statutes, a clinical social worker licensed  
42 under chapter 383b of the general statutes, a marital and family therapist  
43 licensed under chapter 383a of the general statutes and a professional

44 counselor licensed under chapter 383c of the general statutes; and

45 (11) "Requests that the claimant waive or modify such debt" includes,  
46 but is not limited to, a request that a claimant waive, forgive, excuse,  
47 write off, not collect, modify, delay, postpone or enter into a payment  
48 plan for a debt or a portion of a debt.

49 Sec. 2. (NEW) (*Effective January 1, 2025*) No individual shall  
50 knowingly cause another individual to incur coerced debt. Any  
51 individual who knowingly causes another individual to incur coerced  
52 debt shall be civilly liable (1) to the claimant for the amount of the  
53 coerced debt, or a portion of the coerced debt, determined by a court to  
54 be coerced debt, (2) for any attorney's fees and costs incurred by the  
55 claimant in recovering such debt, and (3) for any attorney's fees and  
56 costs incurred by the debtor in an action commenced under section 4 of  
57 this act.

58 Sec. 3. (NEW) (*Effective January 1, 2025*) (a) Except as otherwise  
59 provided in subsection (d) of this section, a claimant shall cease all  
60 collection activities that concern a debt identified by the debtor as  
61 coerced debt until the claimant has completed a review pursuant to  
62 subsection (e) of this section, if:

63 (1) A legal action concerning such debt has not been commenced  
64 prior to the claimant's receipt of the documentation described in  
65 subdivision (2) of this subsection, and

66 (2) The debtor provides the claimant documentation, certified by the  
67 debtor, that:

68 (A) Includes the following:

69 (i) An identification of the debt as coerced debt;

70 (ii) A description of the circumstances under which the allegedly  
71 coerced debt was incurred;

72 (iii) An express written statement by the debtor disclosing (I) that the

73 debtor did not willingly authorize the use of the debtor's name or  
74 personal information to incur such debt, (II) specific facts supporting the  
75 debtor's allegation, if available, and (III) if the debtor alleges that only a  
76 portion of such debt is coerced debt, the portion of such debt that the  
77 debtor alleges is coerced debt;

78 (iv) Any information known by the debtor, including, but not limited  
79 to, any credit card number or loan number, that the claimant may use to  
80 identify the account associated with such debt and the individual in  
81 whose name such debt was incurred;

82 (v) The identity of the individual whom the debtor alleges coerced  
83 the debtor into incurring such debt and contact information for such  
84 individual, if the debtor knows such contact information, unless the  
85 debtor signs a sworn statement that disclosing such information is likely  
86 to result in abuse to the debtor or any immediate family member of the  
87 debtor, except the debtor shall disclose such information in the event  
88 that the claimant (I) gives notice to the debtor that the claimant is ceasing  
89 collection activities against the debtor under this section and releasing  
90 the debtor from any liability for such debt, and (II) upon giving the  
91 notice described in subparagraph (A)(v)(I) of this subdivision, requests  
92 that the debtor disclose such information; and

93 (vi) A telephone number that the claimant may use to contact the  
94 debtor to obtain additional information from, or pose questions to, the  
95 debtor with regard to such debt, or, if the debtor prefers to communicate  
96 with the claimant in writing, a statement by the debtor indicating that  
97 the claimant shall communicate with the debtor with regard to such  
98 debt exclusively in writing and disclosing the debtor's mailing address,  
99 electronic mail address or both; and

100 (B) In support of the information disclosed pursuant to subparagraph  
101 (A) of this subdivision, attaches not less than one of the following:

102 (i) A police report;

103 (ii) A Federal Trade Commission identity theft report that identifies

104 the debt as coerced debt and not as a debt incurred due to identity theft;

105 (iii) A restraining order or protective order issued by a court of  
106 competent jurisdiction; or

107 (iv) A document prepared by a qualified third-party professional that  
108 (I) is based on information the qualified third-party professional  
109 received while acting in such qualified third-party professional's  
110 professional capacity, (II) is certified by the qualified third-party  
111 professional in the manner specified in subsection (b) of this subsection,  
112 and (III) displays the letterhead, address and telephone number of the  
113 office, institution, center or organization that has engaged or employs  
114 the qualified third-party professional regardless of whether such  
115 qualified third-party professional is financially compensated, or the  
116 letterhead, address and telephone number of such qualified third-party  
117 professional if such qualified third-party professional is self-employed.

118 (b) Each certification required pursuant to subdivision (2) of  
119 subsection (a) of this section shall be in substantially the following form:

120 "I declare under penalty of perjury that the representations made  
121 herein are true, correct, and contain no material omissions of fact.

122 Dated at ..., Connecticut, this ... day of ..., 20...

123 .... (Signature)".

124 (c) The debtor shall send the documentation described in subdivision  
125 (2) of subsection (a) of this section by certified mail, overnight delivery  
126 or any other delivery method allowing for confirmation of the date on  
127 which such documentation is delivered to an address the claimant  
128 provides to the debtor for the purpose of receiving such documentation  
129 or, if the claimant has not provided any such address, to the claimant's  
130 principal place of business as identified on the Secretary of the State's  
131 Internet web site. If an address is unavailable through such Internet web  
132 site, the debtor may use the claimant's correspondence address.

133 (d) (1) If a debtor orally notifies a claimant that a debt being collected,

134 or a portion of a debt being collected, is coerced debt and requests that  
135 the claimant waive or modify such debt, and if the claimant does not  
136 permanently cease collection activities that concern such debt and are  
137 directed toward the debtor, the claimant shall notify the debtor, in  
138 writing and not later than ten days after receiving such oral notice and  
139 request from the debtor, that the debtor's request must be in writing and  
140 in accordance with subsections (a) to (c), inclusive, of this section. The  
141 claimant shall send such written notice to the debtor by certified mail,  
142 overnight delivery or any other delivery method allowing for  
143 confirmation of the date on which such notice is delivered.

144 (2) If a debtor notifies a claimant, in writing, that a debt being  
145 collected, or a portion of a debt being collected, is coerced debt and  
146 requests that the claimant waive or modify such debt, but omits any  
147 documentation required by subdivision (2) of subsection (a) of this  
148 section, and if the claimant does not permanently cease collection  
149 activities that concern such debt and are directed toward the debtor, the  
150 claimant shall, not later than ten days after receiving such written notice  
151 and request from the debtor, provide written notice to the debtor  
152 identifying such omitted documentation. The claimant shall send such  
153 written notice to the debtor by certified mail, overnight delivery or any  
154 other delivery method allowing for confirmation of the date on which  
155 such notice is delivered.

156 (3) If a debtor orally notifies a claimant that a debt being collected, or  
157 a portion of a debt being collected, is coerced debt and requests that the  
158 claimant waive or modify such debt, as described in subdivision (1) of  
159 this subsection, or notifies a claimant, in writing, that a debt being  
160 collected, or a portion of a debt being collected, is coerced debt and  
161 requests that the claimant waive or modify such debt, but omits any  
162 documentation required by subdivision (2) of subsection (a) of this  
163 section, as described in subdivision (2) of this subsection, the claimant  
164 shall not, for a period of not less than thirty days after the debtor  
165 receives the written notice provided by the claimant in accordance with  
166 subdivision (1) or (2) of this subsection, commence a legal action to  
167 collect the debt identified by the debtor as coerced debt in such oral or

168 written notice provided by the debtor under subdivision (1) or (2) of this  
169 subsection. During such time period, the claimant may continue  
170 collection activities other than commencing such a legal action. If the  
171 claimant commences such a legal action in violation of this subdivision,  
172 such commencement shall be grounds for dismissal of such action  
173 without prejudice at any time prior to the entry of judgment.

174 (e) (1) Not later than the thirtieth day after a claimant receives the  
175 documentation provided in accordance with subdivision (2) of  
176 subsection (a) of this section, the claimant shall:

177 (A) Complete a good faith review to determine whether the debt  
178 identified by the debtor in the documentation provided in accordance  
179 with subdivision (2) of subsection (a) of this section is coerced debt after  
180 considering all information provided by the debtor and all other  
181 relevant information available to the claimant. The claimant shall not  
182 commence a legal action to collect such debt while completing such  
183 good faith review, provided the claimant did not commence any such  
184 action prior to receiving such documentation provided in accordance  
185 with subdivision (2) of subsection (a) of this section or any oral or  
186 written notice and request provided by the debtor under subdivision (1)  
187 or (2) of subsection (d) of this section; and

188 (B) If the claimant has previously furnished negative information  
189 about the debtor to a credit rating agency, notify such credit rating  
190 agency that the debt identified by the debtor in the documentation  
191 provided in accordance with subdivision (2) of subsection (a) of this  
192 section is disputed.

193 (2) Not later than the tenth day after the claimant completes the  
194 review pursuant to subdivision (1) of this subsection, the claimant shall  
195 notify the debtor, in writing, of the claimant's determination and the  
196 good faith basis for such determination.

197 (3) (A) If the claimant determines, in good faith, that the available  
198 information establishes that the debt identified by the debtor in the  
199 documentation provided in accordance with subdivision (2) of

200 subsection (a) of this section is coerced debt, the claimant shall  
201 permanently cease collection activities against the debtor concerning  
202 such coerced debt.

203 (B) A claimant that permanently ceases collection activities under  
204 subparagraph (A) of this subdivision shall, if the claimant has furnished  
205 negative information to a credit rating agency regarding the debtor in  
206 connection with the coerced debt, notify such agency to delete such  
207 information. The claimant shall provide such notice not later than the  
208 tenth business day after the claimant makes such determination.

209 (4) If the claimant determines, in good faith, that the available  
210 information does not establish that the debt identified by the debtor in  
211 the documentation provided in accordance with subdivision (2) of  
212 subsection (a) of this section is coerced debt, the claimant may  
213 recommence collection activities concerning such debt. The claimant  
214 shall not recommence such collection activities until the claimant  
215 notifies the debtor, in writing, of such good faith determination.

216 (f) No inference or presumption that the debt identified by the debtor  
217 in the documentation provided in accordance with subdivision (2) of  
218 subsection (a) of this section is valid or invalid or that the debtor is liable  
219 or not liable for such debt shall arise on the basis of the claimant's  
220 determination, made after the review performed pursuant to subsection  
221 (e) of this section, to cease or recommence collection activities  
222 concerning such debt. The exercise or nonexercise of any right under  
223 this section is not a waiver of any other right or defense of the debtor or  
224 claimant, including, but not limited to, any right or defense that may be  
225 asserted against any individual who coerces a debtor into incurring  
226 coerced debt.

227 (g) Any statute of limitations that may apply to a claimant's claim  
228 relating to a debt that is the subject of documentation submitted to the  
229 claimant by a debtor under subdivision (2) of subsection (a) of this  
230 section, or a notification submitted to the claimant by a debtor under  
231 subdivision (1) or (2) of subsection (d) of this section, shall be tolled for



232 the duration of any time period during which the claimant is  
233 temporarily prevented from commencing a legal action relating to such  
234 debt pursuant to this section.

235 (h) The provisions of this section shall not apply if a legal action  
236 concerning a debt that is the subject of documentation submitted to a  
237 claimant by a debtor under subdivision (2) of subsection (a) of this  
238 section, or a notification submitted to a claimant by a debtor under  
239 subdivision (1) or (2) of subsection (d) of this section, had been  
240 commenced prior to the time when the claimant received such  
241 documentation or notification.

242 Sec. 4. (NEW) (*Effective January 1, 2025*) (a) (1) (A) A debtor may, in  
243 accordance with the provisions of the Connecticut Practice Book, bring  
244 an action against a claimant to establish that a debt is coerced debt.

245 (B) In any such action, the claimant may:

246 (i) In accordance with section 52-102a of the general statutes, move to  
247 implead any third party who is or may be liable for the debt that is  
248 alleged to be coerced debt;

249 (ii) Assert a cross complaint to establish that such debt is not coerced  
250 debt;

251 (iii) Assert a counterclaim or defense to establish that such debt is not  
252 coerced debt; and

253 (iv) In accordance with sections 52-101, 52-107 and 52-108 of the  
254 general statutes, move to add or join in additional parties.

255 (2) In any action brought by a claimant against a debtor to recover a  
256 debt, the debtor may:

257 (A) In accordance with section 52-102a of the general statutes, move  
258 to implead any third party who is or may be liable for the debt that is  
259 alleged to be coerced debt;

260 (B) Assert a cross complaint to establish that such debt is coerced  
261 debt;

262 (C) Assert a counterclaim or defense to establish that such debt is  
263 coerced debt; and

264 (D) In accordance with sections 52-101, 52-107 and 52-108 of the  
265 general statutes, move to add or join in additional parties.

266 (3) Sending the written notice described in subparagraph (A) of  
267 subdivision (1) of subsection (b) of this section shall not be a prerequisite  
268 for a debtor to counterclaim or assert a defense pursuant to  
269 subparagraph (C) of subdivision (2) of this subsection.

270 (b) (1) Not later than thirty days before commencing an action  
271 pursuant to subparagraph (A) of subdivision (1) of subsection (a) of this  
272 section, or any other action against a claimant in connection with  
273 allegedly coerced debt, a debtor shall send to the claimant: (A) A written  
274 notice disclosing the debtor's intent to commence such action against the  
275 claimant; and (B) the documentation described in subdivision (2) of  
276 subsection (a) of section 3 of this act. For purposes of this subdivision,  
277 the thirty-day period shall commence when the claimant receives the  
278 written notice and documentation required under this subdivision. A  
279 failure by the debtor to timely provide to the claimant the written notice  
280 and documentation required under this subdivision shall be grounds  
281 for the dismissal without prejudice of the action against the claimant at  
282 any time prior to the entry of judgment.

283 (2) The debtor shall send the written notice required under  
284 subparagraph (A) of subdivision (1) of this subsection by certified mail,  
285 overnight delivery or any other delivery method allowing for  
286 confirmation of the date on which such notice is delivered to an address  
287 the claimant provides to the debtor for the purpose of receiving such  
288 notice, or, if the claimant has not provided any such address, to the  
289 claimant's principal place of business as identified on the Secretary of  
290 the State's Internet web site. If an address is unavailable through such  
291 Internet web site, the debtor may use the claimant's correspondence

292 address.

293 (3) (A) A debtor shall not commence an action under subparagraph  
294 (A) of subdivision (1) of subsection (a) of this section, or any other action  
295 against a claimant in connection with allegedly coerced debt, if:

296 (i) The claimant informs the debtor that the claimant has permanently  
297 ceased all efforts to collect on the debt identified in the written notice  
298 provided pursuant to subparagraph (A) of subdivision (1) of this  
299 subsection;

300 (ii) The claimant informs the debtor that the claimant has notified any  
301 credit rating agency to which the claimant has furnished negative  
302 information regarding the debtor in connection with the coerced debt to  
303 delete such information; and

304 (iii) The debtor receives written notice of the information described  
305 in subparagraphs (A)(i) and (A)(ii) of this subdivision before the  
306 expiration of the thirty-day period described in subdivision (1) of this  
307 subsection.

308 (B) A debtor may commence an action under subparagraph (A) of  
309 subdivision (1) of subsection (a) of this section, or any other action  
310 against a claimant in connection with allegedly coerced debt, if the  
311 debtor receives a written notice pursuant to subdivision (4) of  
312 subsection (e) of section 3 of this act disclosing the claimant's good faith  
313 determination that the available information does not establish that  
314 such allegedly coerced debt is coerced debt.

315 (c) A debtor shall attach the documentation described in subdivision  
316 (2) of subsection (a) of section 3 of this act to any complaint or  
317 counterclaim by the debtor alleging that a debt is coerced debt. A failure  
318 by the debtor to attach such documentation shall be grounds for the  
319 dismissal of the action against the claimant without prejudice at any  
320 time prior to the entry of judgment.

321 (d) If a debtor establishes by a preponderance of the evidence in an

322 action described in subsection (a) of this section that a debt is coerced  
323 debt, the debtor may, if requested, be entitled to the following relief:

324 (1) A declaratory judgment that the debtor is not obligated to the  
325 claimant for such coerced debt;

326 (2) A judgment in favor of the claimant against the individual who  
327 coerced the debtor into incurring such coerced debt, provided the  
328 individual who coerced the debtor into incurring such coerced debt has  
329 been made a party to the action in accordance with the provisions of the  
330 Connecticut Practice Book and the evidence supports such a judgment;

331 (3) An order awarding the debtor attorney's fees and costs, which  
332 shall be paid by the individual who coerced the debtor into incurring  
333 the coerced debt, if such individual has been made a party or parties to  
334 the action; and

335 (4) An order requiring the claimant, if the claimant has furnished  
336 negative information to a credit rating agency regarding the debtor in  
337 connection with the coerced debt, to notify such agency to delete such  
338 information not later than the tenth business day after the issuance of  
339 such order. Such order shall be entered by the court at the time the court  
340 determines that the debt is coerced debt.

341 (e) The court shall consider, upon written motion of any party or  
342 upon the court's own motion, and in accordance with the provisions of  
343 the Connecticut Practice Book, any appropriate steps necessary to  
344 prevent abuse of the debtor or an immediate family member of the  
345 debtor, including, but not limited to, sealing court records, redacting  
346 personal identifying information about the debtor or any immediate  
347 family member of the debtor that was improperly filed or directing that  
348 any deposition or evidentiary hearing be conducted remotely.

349 (f) If the court determines, in an action described in subsection (a) of  
350 this section, that a debt is coerced debt, the claimant or debtor may, at  
351 the time the court makes such determination, move the court to make  
352 written findings regarding evidence related to any individual who

353 allegedly caused the coerced debt to be incurred, provided any such  
354 individual has been made a party to the action in accordance with the  
355 provisions of the Connecticut Practice Book and the evidence supports  
356 such findings.

357 (g) Where some or all of a claim is established as having arisen from  
358 coerced debt, a claimant shall have standing, and may use all available  
359 rights or remedies, to collect by any lawful means such claim, or portion  
360 of such claim, from any individual determined by the court to have  
361 coerced a debtor into incurring the debt, or against any individual who  
362 used or possessed any money, goods, services or property obtained  
363 through such coerced debt.

364 (h) No action by a claimant to collect coerced debt from any  
365 individual who coerced a debtor into incurring such debt shall be  
366 brought but within five years of the date when it is determined,  
367 pursuant to a proceeding in a court of competent jurisdiction, that such  
368 individual caused the duress, intimidation, threat of force, force or  
369 undue influence giving rise to such coerced debt.

370 (i) Nothing in this section or sections 1 to 3, inclusive, of this act shall:

371 (1) Require a court to order a claimant to refund any moneys already  
372 paid on a debt that is determined to be coerced debt;

373 (2) Diminish the rights of a claimant to recover payment for coerced  
374 debt from any individual who coerced a debtor into incurring such  
375 coerced debt; or

376 (3) Reduce or eliminate any other rights or defenses available to a  
377 debtor or claimant pursuant to any other law."

This act shall take effect as follows and shall amend the following sections:		
Section 1	January 1, 2025	New section
Sec. 2	January 1, 2025	New section
Sec. 3	January 1, 2025	New section

---

Sec. 4	<i>January 1, 2025</i>	New section
--------	------------------------	-------------