



General Assembly

Amendment

February Session, 2024

LCO No. 4727



Offered by:
REP. FISHBEIN, 90th Dist.

To: Subst. Senate Bill No. **123** File No. 153 Cal. No. 425

(As Amended by Senate Amendment Schedules "A" and "B")

"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 a coerced expenditure or
11 an allegedly coerced expenditure, or such individual's or entity's
12 successor or assignee, (B) does not mean an individual who or entity
13 that, or any successor or assignee of an individual who or entity that,

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

18 (3) "Coerced expenditure" means any debt incurred 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, when such debt was incurred in
21 response to any duress, intimidation, threat of force, force or undue
22 influence used to specifically coerce the debtor into incurring such debt;

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

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

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

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

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

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

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

44 under chapter 383b of the general statutes, a marital and family therapist
45 licensed under chapter 383a of the general statutes and a professional
46 counselor licensed under chapter 383c of the general statutes; and

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

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

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

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

69 (2) The debtor provides the claimant documentation, certified by the
70 debtor, that:

71 (A) Includes the following:

72 (i) An identification of the debt as a coerced expenditure;

73 (ii) A description of the circumstances under which the allegedly

74 coerced expenditure was incurred;

75 (iii) An express written statement by the debtor disclosing (I) that the
76 debtor did not willingly authorize the use of the debtor's name or
77 personal information to incur such debt, (II) specific facts supporting the
78 debtor's allegation, if available, and (III) if the debtor alleges that only a
79 portion of such debt is a coerced expenditure, the portion of such debt
80 that the debtor alleges is a coerced expenditure;

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

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

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

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

- 105 (i) A police report;
- 106 (ii) A Federal Trade Commission identity theft report that identifies
107 the debt as a coerced expenditure and not as a debt incurred due to
108 identity theft;
- 109 (iii) A restraining order or protective order issued by a court of
110 competent jurisdiction; or
- 111 (iv) A document prepared by a qualified third-party professional that
112 (I) is based on information the qualified third-party professional
113 received while acting in such qualified third-party professional's
114 professional capacity, (II) is certified by the qualified third-party
115 professional in the manner specified in subsection (b) of this subsection,
116 and (III) displays the letterhead, address and telephone number of the
117 office, institution, center or organization that has engaged or employs
118 the qualified third-party professional regardless of whether such
119 qualified third-party professional is financially compensated, or the
120 letterhead, address and telephone number of such qualified third-party
121 professional if such qualified third-party professional is self-employed.
- 122 (b) Each certification required pursuant to subdivision (2) of
123 subsection (a) of this section shall be in substantially the following form:
- 124 "I declare under penalty of perjury that the representations made
125 herein are true, correct, and contain no material omissions of fact.
- 126 Dated at ..., Connecticut, this day of ..., 20...
- 127 (Signature)".
- 128 (c) The debtor shall send the documentation described in subdivision
129 (2) of subsection (a) of this section by certified mail, overnight delivery
130 or any other delivery method allowing for confirmation of the date on
131 which such documentation is delivered to an address the claimant
132 provides to the debtor for the purpose of receiving such documentation
133 or, if the claimant has not provided any such address, to the claimant's
134 principal place of business as identified on the Secretary of the State's

135 Internet web site. If an address is unavailable through such Internet web
136 site, the debtor may use the claimant's correspondence address.

137 (d) (1) If a debtor orally notifies a claimant that a debt being collected,
138 or a portion of a debt being collected, is a coerced expenditure and
139 requests that the claimant waive or modify such debt, and if the
140 claimant does not permanently cease collection activities that concern
141 such debt and are directed toward the debtor, the claimant shall notify
142 the debtor, in writing and not later than ten days after receiving such
143 oral notice and request from the debtor, that the debtor's request must
144 be in writing and in accordance with subsections (a) to (c), inclusive, of
145 this section. The claimant shall send such written notice to the debtor by
146 certified mail, overnight delivery or any other delivery method allowing
147 for confirmation of the date on which such notice is delivered.

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

160 (3) If a debtor orally notifies a claimant that a debt being collected, or
161 a portion of a debt being collected, is a coerced expenditure and requests
162 that the claimant waive or modify such debt, as described in subdivision
163 (1) of this subsection, or notifies a claimant, in writing, that a debt being
164 collected, or a portion of a debt being collected, is a coerced expenditure
165 and requests that the claimant waive or modify such debt, but omits any
166 documentation required by subdivision (2) of subsection (a) of this
167 section, as described in subdivision (2) of this subsection, the claimant

168 shall not, for a period of not less than thirty days after the debtor
169 receives the written notice provided by the claimant in accordance with
170 subdivision (1) or (2) of this subsection, commence a legal action to
171 collect the debt identified by the debtor as a coerced expenditure in such
172 oral or written notice provided by the debtor under subdivision (1) or
173 (2) of this subsection. During such time period, the claimant may
174 continue collection activities other than commencing such a legal action.
175 If the claimant commences such a legal action in violation of this
176 subdivision, such commencement shall be grounds for dismissal of such
177 action without prejudice at any time prior to the entry of judgment.

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

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

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

197 (2) Not later than the tenth day after the claimant completes the
198 review pursuant to subdivision (1) of this subsection, the claimant shall
199 notify the debtor, in writing, of the claimant's determination and the

200 good faith basis for such determination.

201 (3) (A) If the claimant determines, in good faith, that the available
202 information establishes that the debt identified by the debtor in the
203 documentation provided in accordance with subdivision (2) of
204 subsection (a) of this section is a coerced expenditure, the claimant shall
205 permanently cease collection activities against the debtor concerning
206 such coerced expenditure.

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

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

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

231 (g) A debtor shall not provide documentation to a claimant in

232 accordance with subdivision (2) of subsection (a) of this section or
233 request that a claimant waive or modify a debt being collected, or a
234 portion of a debt being collected, as described in subsection (d) of this
235 section, (1) if the debt that is the subject of such documentation or
236 request was previously considered and subject to a final judgment in an
237 action for dissolution of marriage prior to the time when the debtor
238 provides such documentation or makes such request; or (2) but within
239 ten years after the debt that is the subject of such documentation or
240 request was incurred.

241 (h) Any statute of limitations that may apply to a claimant's claim
242 relating to a debt that is the subject of documentation submitted to the
243 claimant by a debtor under subdivision (2) of subsection (a) of this
244 section, or a notification submitted to the claimant by a debtor under
245 subdivision (1) or (2) of subsection (d) of this section, shall be tolled for
246 the duration of any time period during which the claimant is
247 temporarily prevented from commencing a legal action relating to such
248 debt pursuant to this section.

249 (i) The provisions of this section shall not apply if a legal action
250 concerning a debt that is the subject of documentation submitted to a
251 claimant by a debtor under subdivision (2) of subsection (a) of this
252 section, or a notification submitted to a claimant by a debtor under
253 subdivision (1) or (2) of subsection (d) of this section, had been
254 commenced prior to the time when the claimant received such
255 documentation or notification.

256 Sec. 4. (NEW) (*Effective January 1, 2025*) (a) (1) (A) A debtor may bring
257 an action against a claimant to establish that a debt is a coerced
258 expenditure.

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

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

263 (ii) Assert a cross complaint to establish that such debt is not a coerced
264 expenditure;

265 (iii) Assert a counterclaim or defense to establish that such debt is not
266 a coerced expenditure; and

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

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

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

274 (B) Assert a cross complaint to establish that such debt is a coerced
275 expenditure;

276 (C) Assert a counterclaim or defense to establish that such debt is a
277 coerced expenditure; and

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

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

284 (b) (1) Not later than thirty days before commencing an action
285 pursuant to subparagraph (A) of subdivision (1) of subsection (a) of this
286 section, or any other action against a claimant in connection with an
287 allegedly coerced expenditure, a debtor shall send to the claimant: (A)
288 A written notice disclosing the debtor's intent to commence such action
289 against the claimant; and (B) the documentation described in
290 subdivision (2) of subsection (a) of section 3 of this act. For purposes of
291 this subdivision, the thirty-day period shall commence when the

292 claimant receives the written notice and documentation required under
293 this subdivision. A failure by the debtor to timely provide to the
294 claimant the written notice and documentation required under this
295 subdivision shall be grounds for the dismissal without prejudice of the
296 action against the claimant at any time prior to the entry of judgment.

297 (2) The debtor shall send the written notice required under
298 subparagraph (A) of subdivision (1) of this subsection by certified mail,
299 overnight delivery or any other delivery method allowing for
300 confirmation of the date on which such notice is delivered to an address
301 the claimant provides to the debtor for the purpose of receiving such
302 notice, or, if the claimant has not provided any such address, to the
303 claimant's principal place of business as identified on the Secretary of
304 the State's Internet web site. If an address is unavailable through such
305 Internet web site, the debtor may use the claimant's correspondence
306 address.

307 (3) (A) A debtor shall not commence an action under subparagraph
308 (A) of subdivision (1) of subsection (a) of this section, or any other action
309 against a claimant in connection with an allegedly coerced expenditure,
310 if:

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

315 (ii) The claimant informs the debtor that the claimant has notified any
316 credit rating agency to which the claimant has furnished negative
317 information regarding the debtor in connection with the coerced
318 expenditure to delete such information; and

319 (iii) The debtor receives written notice of the information described
320 in subparagraphs (A)(i) and (A)(ii) of this subdivision before the
321 expiration of the thirty-day period described in subdivision (1) of this
322 subsection.

323 (B) A debtor may commence an action under subparagraph (A) of
324 subdivision (1) of subsection (a) of this section, or any other action
325 against a claimant in connection with an allegedly coerced expenditure,
326 if the debtor receives a written notice pursuant to subdivision (4) of
327 subsection (e) of section 3 of this act disclosing the claimant's good faith
328 determination that the available information does not establish that
329 such allegedly coerced expenditure is a coerced expenditure.

330 (c) A debtor shall attach the documentation described in subdivision
331 (2) of subsection (a) of section 3 of this act to any complaint or
332 counterclaim by the debtor alleging that a debt is a coerced expenditure.
333 A failure by the debtor to attach such documentation shall be grounds
334 for the dismissal of the action against the claimant without prejudice at
335 any time prior to the entry of judgment.

336 (d) If a debtor establishes by a preponderance of the evidence in an
337 action described in subsection (a) of this section that a debt is a coerced
338 expenditure, the debtor may, if requested, be entitled to the following
339 relief:

340 (1) A declaratory judgment that the debtor is not obligated to the
341 claimant for such coerced expenditure;

342 (2) A judgment in favor of the claimant against the individual who
343 coerced the debtor into incurring such coerced expenditure, provided
344 the individual who coerced the debtor into incurring such coerced
345 expenditure has been made a party to the action in accordance with
346 section 52-101, 52-102a, 52-107 or 52-108 of the general statutes, as
347 applicable, and the evidence supports such a judgment;

348 (3) An order awarding the debtor attorney's fees and costs, which
349 shall be paid by the individual who coerced the debtor into incurring
350 the coerced expenditure, if such individual has been made a party or
351 parties to the action; and

352 (4) An order requiring the claimant, if the claimant has furnished
353 negative information to a credit rating agency regarding the debtor in

354 connection with the coerced expenditure, to notify such agency to delete
355 such information not later than the tenth business day after the issuance
356 of such order. Such order shall be entered by the court at the time the
357 court determines that the debt is a coerced expenditure.

358 (e) The court shall consider, upon written motion of any party or
359 upon the court's own motion, and in accordance with the provisions of
360 the Connecticut Practice Book, any appropriate steps necessary to
361 prevent abuse of the debtor or an immediate family member of the
362 debtor, including, but not limited to, sealing court records, redacting
363 personal identifying information about the debtor or any immediate
364 family member of the debtor that was improperly filed or directing that
365 any deposition or evidentiary hearing be conducted remotely.

366 (f) If the court determines, in an action described in subsection (a) of
367 this section, that a debt is a coerced expenditure, the claimant or debtor
368 may, at the time the court makes such determination, move the court to
369 make written findings regarding evidence related to any individual who
370 allegedly caused the coerced expenditure to be incurred, provided any
371 such individual has been made a party to the action in accordance with
372 section 52-101, 52-102a, 52-107 or 52-108 of the general statutes, as
373 applicable, and the evidence supports such findings.

374 (g) Where some or all of a claim is established as having arisen from
375 a coerced expenditure, a claimant shall have standing, and may use all
376 available rights or remedies, to collect by any lawful means such claim,
377 or portion of such claim, from any individual determined by the court
378 to have coerced a debtor into incurring the debt.

379 (h) (1) No action under subparagraph (A) of subdivision (1) of
380 subsection (a) of this section to establish that a debt is a coerced
381 expenditure shall be brought but within ten years after the right of
382 action accrues.

383 (2) No action by a claimant to collect a coerced expenditure from any
384 individual who coerced a debtor into incurring such debt shall be
385 brought but within five years of the date when it is determined,

386 pursuant to a proceeding in a court of competent jurisdiction, that such
387 individual caused the duress, intimidation, threat of force, force or
388 undue influence giving rise to such coerced expenditure.

389 (i) No action, claim or defense shall be brought or asserted by a debtor
390 under subsection (a) of this section to establish that a debt is a coerced
391 expenditure if such debt was previously considered and subject to a
392 final judgment in an action for dissolution of marriage prior to the
393 commencement of any such action brought by the debtor under
394 subsection (a) of this section or the assertion of any such claim or defense
395 by the debtor under subsection (a) of this section.

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

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

399 (2) Diminish the rights of a claimant to recover payment for any
400 coerced expenditure from any individual who coerced a debtor into
401 incurring such coerced expenditure; or

402 (3) Reduce or eliminate any other rights or defenses available to a
403 debtor at law or in equity."

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	January 1, 2025	New section