

Achieving Independence

Intro

Screening

**Protecting
Credit**

Court



Goals: What you will learn

- There are legal defenses for survivors with debt!
- Skills you can use to help survivors with their debt:
 - Screening for coerced debt
 - Protecting a survivor's credit
 - Tips for court



Who am I?



**Long-term
safety**

Who am I?

Kristen Bor-Zale, Lawyer at Greater Boston Legal Services

The Consumer Rights Unit helps with

- mortgage foreclosures,
- bankruptcy,
- debt collection suits,
- predatory lending,
- student loans,
- utilities.



Someone you can call/email about what you learn today: (857) 600-0241
kborzale@gbls.org



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Access to economic resources is the **most likely** predictor of whether a survivor will be able to permanently separate.





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**Exploiting
Resources**

Financial abuse

Nearly all survivors of DV experience financial abuse



**Talking
about
Money**

Coerced debt is "[a]ll non-consensual, credit-related transactions that occur in a relationship where one person uses *coercive control* to dominate the other person."
Littwin, 2012

Coercive control is "[t]he systemic, ongoing use of violence, threats, intimidation, isolation, and control to restrict the victim's autonomy and liberty."
Stark, 2007

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Financial abuse through consumer credit

Fraud

Using a partner's personal information to take out credit in their name *without their knowledge*.

Coercion

Using *force or threat of harm* to compel a partner to take on a debt they would not have otherwise incurred.

Littwin, Angela, *Coerced Debt: The Role of Consumer Credit in Domestic Violence* (2012).

Financial abuse through consumer credit

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Financial abuse through consumer credit

Fraud

Questioning abuser about unknown credit card charges means risking harm

Coercion

Refusing to take responsibility for a lease or buy an item on credit means risking harm

Littwin, Angela, *Coerced Debt: The Role of Consumer Credit in Domestic Violence* (2012).

Hearing from survivor with coerced debt

<https://www.kxan.com/top-stories/new-law-could-help-texans-forced-into-taking-on-debt/>

Avery's debt

Jim is frequently violent with Avery and threatens to report her to immigration when she doesn't do what he wants her to. He wants Avery to purchase a car for him in her name, explaining that she should because her credit is better. He promises it will be affordable and he will make the payments.

At the dealership, he decides he wants a far more expensive car. While the dealer is reviewing the documents with them, Avery hesitates. Jim forcefully squeezes her arm under the table and tells her to just sign the documents. Avery resists again, and Jim whispers in her ear that if she doesn't do this for him, he'll make sure she regrets it. Avery is shaken and signs the documents.

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Starting the Conversation



- Feelings of guilt or foolishness.
- May be the 1st time the survivor connects their finances to their abuse.
- "It's not you, it's the system."
- You can't solve a problem that you don't know about.
- Must be considered with broader safety concerns and the survivor's goals.

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Example Screening Questions



1. What is your source of income?
2. In the last month did you have enough money to pay your bills?
3. Have you received any letters or calls from a creditor?
4. Does your partner hide financial information from you?
5. Did your partner ask you to take on debt? What would have happened if you said no?
- 6. Have you ever been rejected from something because of your credit report or score?**

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Shared Accounts

Open own financial accounts.

Authorized users - relatively easy to call and remove.

Joint accounts can take some work to close.

Bankruptcy -- can contact abuser about joint accounts





<https://AnnualCreditReport.com>

- 3 credit reporting agencies:
 - TransUnion,
 - Experian, and
 - Equifax
- Each year, free credit report from each company (3 total reports).
- If you were denied credit, free report within 60 days.



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Requesting & Disputing Information

State and federal law gives you the right to ask for information.

- Debt validation letter

<https://www.gbls.org/self-help/consumer>

- Always ask that they treat the debt as disputed.

<https://www.masslegalhelp.org/consumer/debt/fixing-credit-report>



Identity Theft

Identity theft report

- Law enforcement agency
- FTC Identity Theft Report: <https://www.identitytheft.gov/#/>

1. Request a credit block and an investigation.

- Send the identity theft report, credit report, proof of identity with a dispute letter to the creditor and the credit reporting agency. <https://www.gbfs.org/self-help/consumer>

2. Going forward

- Fraud alert
- Credit freeze

<https://www.consumer.ftc.gov/articles/what-know-about-credit-freezes-and-fraud-alerts>
<https://www.mass.gov/service-details/report-identity-theft>



CAUTION!



Be very cautious about debt consolidation companies where they promise to negotiate on the debtors' behalf. Most of them take debtors' money without resolving any of the debts.

Urban Edge is a Boston-based non-profit with a great credit counseling program.

<https://www.urbanedge.org/program/credit-counseling-boot-camp/>



What happens when client doesn't pay

Letters and calls

Credit reporting

**Secured debts

Brought to court



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What happens when client doesn't pay

Letters and calls

Do Not Contact Letter: <https://www.gbls.org/self-help/consumer>

Credit reporting

Dispute Letter: <https://www.masslegalhelp.org/consumer/debt/fixing-credit-report>

Exempt Income: <https://www.gbls.org/self-help/consumer>

**Secured debts -- the item can be taken away (ex. car, phone)

What debts to pay first: <https://www.masslegalhelp.org/consumer/debt/which-debts-first/what-to-pay>

Going to court

There are a lot of defenses!



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**Protected
income**

Top tips for Small Claims

1. Show up!
2. Ask to see documents
3. Bring proof of benefits, ID theft report
4. Contact me first at 857-600-0241 or
kborzale@gbls.org

<https://www.masslegalhelp.org/consumer/debt/court>



**Original
creditor**

**Debt
buyer**

Judgment

Collection-proof?

Law protects some money from collections.

<https://www.gbls.org/self-help/consumer>

- Public benefits, like SSI and Food Stamps
- \$675/week gross income
- Car worth up to \$7,500
- Savings up to \$2,500



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Original Creditor

If you have coerced debt, consult with an attorney

If you can settle

- Settle for an amount YOU can afford.
- Settle outside of court (no judgment).
- Paying in full versus reducing the balance.

If you can't settle

- Don't agree to a payment plan you can't afford
- Ask about COVID-19 assistance programs
- Talk to Urban Edge

Medical debt - ask for financial assistance, work with health insurance.



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Debt buyer - fight!

Debt buyer has the "burden of proof." They have to prove that you owe them money

Do you recognize the name of the company? If not, look at the documents. How do they prove that they are the right company to pay?

GBLS helps hundreds of people per year with debt buyer cases- 857-600-0241



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