Comment Intake—Identity Theft and Coerced Debt
c/o Legal Division Docket Manager
Consumer Financial Protection Bureau
1700 G Street NW
Washington, DC 20552

April 7, 2025

Re: Docket No. CFPB–2024– 0057; Fair Credit Reporting Act (Regulation V); Identity Theft and Coerced Debt

Americans for Financial Reform Education Fund (AFREF) supports a proposed Consumer Financial Protection Bureau (CFPB) rule that would bring relief to victims of coerced debt by amending the Fair Credit Reporting Act (FCRA). AFREF is a nonpartisan and nonprofit coalition of more than 200 civil rights, consumer, labor, business, investor, faith-based, and civic and community groups dedicated to advocating for policies that shape a financial sector that serves workers, communities and the real economy, and provides a foundation for advancing economic and racial justice that includes the impact of inaccurate and unfair debt reporting on people impacted by coerced debt. People who have been subject to coerced debt have their credit reports — and thus their credit scores — artificially harmed which reduces access to credit and wealth building opportunities that are especially important for those who face intimate partner abuse.

AFREF supported the coerced debt petition for rulemaking from the National Consumer Law Center and the Center for Survivor Agency and Justice.[1] Americans for Financial Reform Education Fund urges the CFPB to propose a rule that broadens the definitions of "identity theft" and "identity theft report," and expands FCRA's powerful blocking remedy, currently available to victims of identity theft, to also cover victims of coerced debt. Specifically, we urge the CFPB to amend the definition of identity theft under Regulation V as follows:

- Modify the definition of "identity theft" to include the phrase "or without the effective consent of that person" to the end of 12 CFR 1022.3(h),[2]
- Modify the definition of "identity theft report" to reflect this modified definition of "identity theft,"[3] and
- Allow victims of coerced debt to block disputed information using the process available under 15 U.S.C. §1681c-2 (c)(1)(C) for victims of identity theft.

These modifications would provide critically needed relief to victims of coerced debt (a form of economic abuse) and further protect individuals who are survivors of intimate partner violence. While these

[1] Zinner, Christine. Americans for Financial Reform Education Fund. "Comments on Petition Request for FCRA Rulemaking." Consumer Financial Protection Bureau (CFPB). October 5, 2024.
[2] 12 CFR § 1022.3(h).
[3] 12 CFR § 1022.3(i)(1).

modifications will not prevent intimate partner violence, we believe the proposed FCRA modifications are a critical and necessary step to curb future economic abuse and will especially help Black, Latine, other survivors of color, and survivors with marginalized identities, repair their credit and rebuild the stable economic foundation necessary for a violence free future.

I. Coerced debt makes it harder to leave an abusive relationship.

An overwhelming majority of abusive partners use economic means to exert power over their victims and to extract resources that could be used by victims to pursue security and safety.[4] And victims of abuse frequently lose their jobs, are demoted, or lose income after missing work because of abuse, which creates extreme economic precarity.[5] Coerced debt is one form of economic abuse, where debt is accrued through "nonconsensual, credit-related transactions that occur in a violent relationship."[6] Coerced debt is taken on when an abusive partner coerces their partner to take on debt *without consent*, through fraud, coercion, and manipulation. Non-consensual debt is incurred when an abusive partner takes out loans, uses credit cards, or puts household bills in their partner's name.[7] Forms of coercive debt may include mortgages, apartment rental leases, vehicle loans, personal loans, payday loans, student loans, credit card bills, household utility bills, and phone bills.[8]

Coerced debt substantially impacts the economic fortunes of those enduring intimate partner abuse because credit scores serve as an economic gatekeeper to modern life. Coerced debt and its ability to lower credit scores can wreak havoc on survivors who try to escape abusive relationships. Not only do survivors have to manage the physical challenges of fleeing an abusive relationship, additional coerced debt may cut off these survivors from access to housing for themselves and their children, employment, and other resources tied to and reliant upon traditional measures of credit that determine so-called "creditworthiness."[9] Landlords, utility companies, and even employers can legally refuse to provide access to housing and services to survivors or cut off their employment prospects if they have lower credit scores.

As a result, economic abuse and coerced debt exacerbate survivors typical isolation and estrangement from their familial and social networks that abused partners experience, which makes them more likely to be reliant on their own financial resources to achieve a safe exit from abusive relationships. Indeed, nearly three-quarters (73 percent) of survivors stayed longer in an abusive relationship due to coerced debt.[10] Financial hardships may be further compounded when wages are garnished in debt collection (using debt collection methods that mirror abuse and may retraumatize survivors),[11] or survivors are trapped in complicated legal battles over coerced debt that may require them to be in some contact with their abusers. These additional hardships lessen a survivor's chance of long-term financial stability and safety.[12]

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[4] Center for Survivor Agency & Justice. "Guidebook on Consumer & Economic Civil Legal Advocacy for Survivors." 2017 at 6.
[5] Alliance for Safety and Justice. "Lost Work, Pay, and Safety: Victims of Violence Urgently Need Safe Leave." April 2024.
[6] Littwin, Angela. "Coerced Debt: The Role of Consumer Credit in Domestic Violence." *California Law Review*. Vol. 100, No. 4. August 2012 at 954.
[7] Adams, Adrienne. Center for Survivor Agency and Justice. "Understanding Coerced Debt." October 2022 at 4.
[8] Adams, Adrienne. Center for Survivor Agency and Justice. "Understanding Coerced Debt." October 2022 at 4.
[9] Vondelinde, Katie Ciorba et al. Center for Survivor Agency and Justice. "Compendium on Coerced Debt." October 2022 at 3.
[10] *Ibid.* at 9.
[11] *Ibid.*
[12] *Ibid.* at 3.

II. Coerced debt has even greater negative impacts on survivors of color and survivors with marginalized identities.

Credit scoring replicates and amplifies the systemic racial biases of the financial system. The CFPB should modify the FCRA regulations to expand the definition of "identity theft" and "identity theft report" to cover coerced debt to help lessen these biases and their harmful impacts. Because of historic and ongoing structural racism, Black, Latine, and Indigenous people have lower incomes, fewer assets, and less credit history due to occupational segregation, educational segregation, residential redlining and housing discrimination (resulting in lower homeownership rates), less access to medical care (and more medical debt) and more. As a result, Black and Latine consumers have lower average credit scores than white consumers (8 percent and 5 percent lower, respectively)[13] and are 60 percent more likely to have no or invisible credit scores than white consumers (28 percent, 27 percent, and 16 percent, respectively).[14] A 2022 Urban Institute study found that far more people received subprime credit scores from the credit rating bureaus in Black, Indigenous, and Latine communities than in white communities (41 percent, 43 percent, 29 percent, and 17 percent, respectively).[15]

The credit scoring system's built in biases leave survivors of color and survivors from marginalized communities (such as Indigenous, immigrant, and limited English proficiency populations) particularly vulnerable to the impacts of coerced debt, both from taking on larger amounts of coerced debt, and from being saddled with a higher percentage of coerced debt from predatory lending sources. An in-depth study on coerced debt in divorce cases revealed that in general, women of color are more likely than white women to have coerced debt (80 percent and 63 percent, respectively),[16] owed more money in coerced debt going into divorce than white women ($7,937 and $4,062),[17] and were significantly more likely to have personal loans as part of their coerced debt (19 percent and 9 percent).[18] In this instance, "personal loans" include subprime loans with exploitative terms, such as payday loans and car title loans. At the time of a divorce, significantly more women of color have some form of coerced debt compared to white women (70 percent and 54 percent, respectively).[19] These higher amounts of debt and lower credit scores deprive them of the resources to secure safety for themselves and their children.[20]

A. Historic and ongoing racist policies and practices have left survivors of color with lower income, higher debt, and lower credit scores.

The damage inflicted by coerced debt further exacerbates the same economic inequities resulting from historic and ongoing racist policies and practices, all of which make it harder for survivors of color and those with marginalized identities to find affordable housing, employment that pays a living wage, access to health care, and access to competitive credit through traditional banking services. These are some of the basic foundational building blocks necessary for basic economic stability, and even more so for survivors to successfully and safely leave an abusive relationship.

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[13] Sandberg, Erica. "How race affects your credit score." *US News and World Report.* August 9, 2022.
[14] Brevoort, Kenneth P., Philipp Grimm, and Michelle Kambara. Consumer Financial Protection Bureau. "Data Point: Credit Invisibles." May 2015.
[15] Urban Institute. "Credit Health During the COVID-19 Pandemic." March 8, 2022.
[16] Adams, Adrienne et. al. (Adams et al. 2023). Webinar. Center for Survivor Agency and Justice. "New Research on Addressing Coerced Debt in Divorce: Findings from an in-depth study of coerced debt." November 8, 2023 at slide 29.
[17] *Ibid* at slide 58.
[18] *Ibid.* at slide 31.
[19] *Ibid.* at slide 55.
[20] National Consumer Law Center. "Past Imperfect: How Credit Scores and Other Analytics 'Bake In' and Perpetuate Past Discrimination." May 3, 2016.

Workplace discrimination continues to fuel the racial wealth gap, which leaves Black households across the country with much lower levels of wealth than white households, and leaves survivors of color more likely to be coerced into debt and with higher levels of debt. In 2016, the median net worth for white households was $171,000 compared to just $17,600 for Black households.[21] When it comes to debt, 27 percent of Black households reported missed or late debt payments, compared to 15 percent of white households.[22] Even in 2019, when the country had the lowest unemployment rate in 50 years, Black workers continued to face "systematically higher unemployment rates, fewer job opportunities, lower pay, poorer benefits, and greater job instability."[23] Historically, many Black workers held occupations with few or no benefits, such as health insurance,[24] and since 1973, the median wage for Black workers remains around 84 percent of the national median wage.[25]

Lack of access to health insurance and resulting medical debt also creates financial distress and exacerbates financial distress for people of color.[26] Medical debts are the most common reason debt collectors contact people,[27] including survivors of color, and debt collections, lawsuits, judgments, and wage garnishments are 60 percent more common in communities of color than white communities.[28] Medical debt can harm a survivor's credit score and constrain their ability to secure the credit needed to rebuild their life outside of an abusive relationship. The same harms can occur for "aging and disabled survivors, transgender survivors, and survivors of severe physical abuse [who] may already have unpaid medical bills that are compounded by coerced debt."[29]

Long-standing structural racism in residential housing including redlining, mortgage discrimination, environmental injustice, food deserts, and more, creates a never-ending cycle of harm that cuts off housing options for survivors of color, many of whom may have felt forced to remain in an abusive relationship due to housing needs. More than half a century after the enactment of the Fair Housing Act, the legacy of federal, state, and local racial exclusion policies, restrictive covenants that prohibited home sales to people of color, home lending and housing discrimination, and the violence that created and enforced racially segregated communities, continue to make it difficult for survivors to find affordable and safer housing options, especially after incurring coerced debt.

III. FCRA's definition of "identity theft" and "identity theft report" must be modified to provide relief from coerced debt.

The CFPB should propose a rule that allows survivors of abuse to repair damaged credit from coerced debt. Currently, there is no straightforward relief from coerced debt under FCRA. Instead, survivors

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[21] Chan, Pamela et al. Prosperity Now. "Forced to Walk A Dangerous Line: The Causes and Consequences of Debt in Black Families." March 2018 at 4.
[22] Chan, Pamela et al. Prosperity Now. "Forced to Walk A Dangerous Line: The Causes and Consequences of Debt in Black Families." March 2018 at 4, citing Board of Governors of the Federal Reserve System. Survey of Consumer Finances. 2016.
[23] Weller, Christine. Center for American Progress. "African Americans Face Systematic Obstacles to Getting Good Jobs." December 5, 2019.
[24] Chan, Pamela et al. Prosperity Now. "Forced to Walk A Dangerous Line: The Causes and Consequences of Debt in Black Families." March 2018 at 6.
[25] Algernon, Austin. Center for Economic and Policy Research. "The Three Labor Market Struggles Facing Black America." January 25, 2024.
[26] Adams, Adrienne. Center for Survivor Agency and Justice. "Understanding Coerced Debt." October 2022 at 11.
[27] Consumer Financial Protection Bureau. "Consumer Experiences with Debt Collection." January 2017 at 21.
[28] Braga, Breno et al. Urban Institute. "Local Conditions and Debt in Collections." June 2016.
[29] Vondelinde, Katie Ciorba et al. Center for Survivor Agency and Justice. Center for Survivor Agency and Justice. "Compendium on Coerced Debt." October 2022 at 11.

must rely upon the "identity theft" provision under Regulation V of FCRA, which currently defines "identity theft" as "a fraud committed or attempted using the identifying information of another person without authority."[30] It is unclear whether victims of coerced debt would qualify as victims of identity under FCRA. To clarify that coerced debt is a form of identity theft, the definition of "identity theft" under 12 CFR §1022.3(h) should be amended as follows (addition in red font):

"Identity theft means a fraud committed or attempted using the identifying information of another person without authority, or without the effective consent of that person."

And since victims of coerced debt may not be considered a victim of "identity theft" under FCRA, survivors are unable to use the quicker identity theft blocking method available under FCRA,[31] but are instead limited to resolving coerced debt through the lengthier and more tedious dispute process under FCRA's reinvestigation procedure (30 or more days rather than 15 days).[32] The traditional dispute resolution process also requires potentially multiple rounds of disputes, and may freeze an individual's ability to obtain credit, housing, or employment until that dispute is resolved, further cutting off the survivor's ability to restore their economic independence during a vulnerable and critical time.

Modifying FCRA's definition of "identity theft" to cover "coerced debt" simply brings consistency to the regulatory framework and makes sure all survivors of abuse are protected and have the necessary economic tools to help them recover financially as they leave their abusive relationships. A handful of states, including Texas, have passed state laws to provide relief for coerced debt. The proposed changes to modify FCRA's definition of "identity theft" and "identity theft report" to include "consent" aligns with the Texas Penal Code's definition of "fraud" in § 32.51, which covers "identifying information of another person without the other person's *consent or effective consent*"[33] (emphasis added). Its civil law counterpart, Texas Business and Commerce Code § 521.051(a) also provides that "[a] person may not obtain, possess, transfer, or use personal identifying information of another person without the other person's *consent or effective consent*"[34] (emphasis added). On credit cards, Texas Penal Code § 32.31 provides that abuse occurs if the credit or debit card is used, "without the *effective consent* of the cardholder"[35] (emphasis added).

Other states with laws to provide coerced debt relief include Connecticut,[36] California,[37] and Maine.[38] Connecticut's law protects survivors of domestic violence from debt incurred in response to any duress, intimidation, threat of force, or undue influence, while Maine's law provides protection from debt collection practices related to coerced or fraudulent debt.

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30 12 CFR § 1022.3(h).
31 15 U.S. Code § 1681c–2 states, "a consumer reporting agency shall block the reporting of any information in the file of a consumer that the consumer identifies as information that resulted from an alleged identity theft."
32 15 U.S.C. § 1681i.
33 Texas Penal Code §32.51(b)(1).
34 Texas Business and Commerce Code § 521.051(a).
35 Texas Penal Code § 32.31(b)(1)(A),(8),(9).
36 Public Act No. 24-77. An Act concerning coerced debt. (2024).
37 Cal. Civ. Code § 1798.97.2 (
38 H.P. 553 - L.D. 748. An Act To Provide Relief to Survivors of Economic Abuse. (2019).

IV. Expanded methods of documenting coerced debt are necessary to provide relief to survivors of color and survivors with limited English proficiency

In addition to expanding the definitions of "identity theft" and "identity theft report" under Regulation V of FCRA, expanded methods of documenting that coerced debt are critical for survivors of color and survivors with limited English proficiency, who may not be able to reach out to law enforcement to document identity theft as currently required by FCRA. Under the current FCRA framework, one of the most common ways to seek relief from coerced debt is to obtain a law enforcement created report documenting instances of abuse. Yet survivors from these communities may not be able to safely reach out and seek law enforcement support due to the negative impacts of the criminal justice system on their communities. For these survivors, reaching out to law enforcement (either to report intimate partner violence, or to file an identity theft report per FCRA's current requirements) may not be a viable option or an option worth the risks. Immigrant survivors may also hesitate to seek law enforcement support due to documented deportation and immigrant status concerns.[39]

Black, Latine, and Indigenous people are reluctant to call for intervention because the police response's shoot-first mentality can kill people — the very people who are calling for help. Abuse survivors do not want to put themselves, their children, or their abuser at risk of death. These police violence risks are heightened for justice-involved people. Even short of the risk of police violence, police contact could have negative ramifications for the survivor (such as losing shelter for allowing justice-involved people into publicly supported housing) or the abuser (re-entry into the justice system) that can substantially deter survivors from pursuing traditional legalistic routes to address the debts that abusers coercively impose on survivors.

Any proposed rule to offer coerced debt relief must also modify FCRA's definition of "identity theft report"[40] to allow impacted survivors to file expanded forms of documentation outside of a police report. Documentation may include a CFPB generated form to be filled out by a credentialed non-law enforcement third-party, such as a health care professional (including physicians, psychologists, social workers, or physicians' assistants); a professional who provides services to address domestic violence, human trafficking, or child abuse; a member of the clergy; a school teacher or school administrator; or an employer.

V. Conclusion

AFREF urges the Bureau to propose a rule that would expand the definition of "identity theft" and "identity theft report" to provide relief for coerced debt. Such modifications are critical for the future economic security of survivors of intimate partner abuse, domestic violence, and victims of coerced debt. Requiring "consent" to be added as an element of "identity theft" and broadening its definition to cover coerced debt would make it easier for all survivors to remove coerced debt from their credit reports, which could lead to improvements in their credit reports and help improve their path to economic security. These modifications are especially critical for survivors of color and other survivors with marginalized identities who are victims of coerced debt and are more likely to have a tougher time building and repairing their credit due to a confluence and combination of structural racism in housing,

[39] Lohman, Patrick. "Local DA says immigrant crime victims are going silent amid deportation fears, letting abusers free." *Source New Mexico.* February 12, 2025. (In one of many documented accounts, local District Attorney Mary Carmack-Altwies reports seeing a "marked decrease in immigrant victims testifying against alleged perpetrators in her judicial district" due to perceived fears of President Trump's executive order cracking down on immigrants).
[40] 12 CFR § 1022.3(i)(1).

employment, financial services, and health care. Finally, any documentation necessary to establish or prove "coerced debt" should not be limited to those that are provided by law enforcement but should also include other credentialed forms of attestation.

Acknowledging coerced debt more officially under the FCRA definitions of "identity theft" and "identity theft report," will not alleviate underlying racial inequities that may have helped contribute to the coerced debt in the first place but will keep these inequities from being further amplified in the future credit eligibility determinations needed for survivors to establish economic security. We urge the Bureau to implement these policies at a federal level through the rulemaking process.

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Responses to questions posed in the ANPRM

Question 1. What information exists regarding the prevalence and extent of harms to victims of economic abuse, particularly coerced debt? How does the consumer reporting system, including provisions relating to identity theft, currently contribute to or reduce those harms?

See Section I for general harms to victims of economic abuse and coerced debt, and Section II for more specific harms to victims of color and those who come from marginalized communities, including immigrant communities and limited English proficient speakers. See Section II(A) for harms that stem from the credit scoring system, and how those harms both exacerbate and are exacerbated by coerced debt.

Question 2. To what extent do protections under the FCRA or other Federal or State laws exist for victims of economic abuse with respect to consumer reporting information? What barriers exist that may prevent survivors of economic abuse from availing themselves of existing protections?

See Section III, paragraph 3 for examples of other state statutes that provide coerced debt relief (Texas, Maine, and California) and Section IV for current barriers that prevent certain communities from obtaining relief due to the need to engage with law enforcement in order to file an identity theft report under FCRA. See Section III paragraph 2 for the reason why coerced debt may not be covered under the current definition of "identity theft" under FCRA, and the delay this causes for victims.

Question 4. What are the costs and benefits of the proposed amendment outlined by the petition for rulemaking?

The benefits of providing relief from coerced debt are outlined in Section I, and include enabling survivors to more easily leave an abusive relationship and build an economic foundation that provides a greater shot at long-term financial stability, independence, and safety.

Question 6. Comments to the petition identify survivors of intimate partner violence, domestic abuse, and gender-based violence as groups that would benefit from explicit inclusion of coerced debt as a form of identity theft. Commenters noted specific vulnerabilities for older Americans, children in foster care, and survivors of color

a. What barriers do these groups face as a result of coerced debt?

See Section I and Section II, paragraphs one and two, for unique barriers faced by Black, Latine, Indigenous, and other groups with marginalized identities (including limited English proficient individuals). Survivors of abuse from these communities may not feel safe reaching out to or interacting with law enforcement due to concerns with deportation, immigrant status, and fears of police violence.

b. How would the proposed amendments outlined in the petition for rulemaking reduce those barriers?

See Sections III and IV for how proposed amendments would reduce barriers to relief from coerced debt. In addition to expanding the definition of "identity theft" to cover coerced debt, see Section IV for additional proposed modifications for how coerced debt should be documented. These recommendations, such as accepted credentialed reports from non-law enforcement third parties, including from health professionals, clergy, social workers, and teachers, would reduce barriers for the above-named communities that may be reluctant to reach out to law enforcement to generate a police report, which is currently necessary to seek relief for "identity theft" under the existing FCRA framework.

Question 7. Should the CFPB propose the amendments outlined by the petition for rulemaking? What alternatives should the CFPB consider? For instance:

a. What documentation should a person be required to produce to show that their debt was coerced?

Yes, the CFPB should provide relief for coerced debt. See Section IV for additional proposed modifications for how coerced debt should be documented.