

KNOW YOUR RIGHTS

DOMESTIC VIOLENCE & CONSUMER DEBT

1. What is debt?

Debt is any money that you owe to someone else. It includes credit cards, medical bills, car loans, student loans, past due rent, utility bills, or anything else you have been unable to pay.

2. How can debt affect me?

When you are behind on a debt, the person or company you owe, your “creditor”, may have a debt collector contact you to get you to pay. Collectors often call frequently, which can be stressful. If you are behind on a loan for something you own, like a car or furniture, creditors may take the item back. Creditors may also file a lawsuit against you, which means you must go to court and defend your case. If a creditor wins a case against you, it may be able to take a portion of your pay or freeze your bank account. Debt also affects your credit.

3. What is a credit report and why does it matter?

Most credit and debt accounts in your name are reported on your credit report. The main credit reporting agencies (CRAs) are experian, equifax, and transunion. Other providers, like landlords, utility companies or financial institutions, will look at your credit report to decide if they want to do business with you. Your credit affects your access to housing, utilities, insurance, and future credit.

4. What do I need to know as a domestic violence survivor?

Financial abuse is extremely common in abusive relationships, yet many survivors have never heard of it or don't know that they've experienced it. This type of abuse can include an abuser keeping you from working; giving you an allowance; not allowing you access to bank accounts or money or failing to pay debts in your name. Financial abuse can also result in debt in your name through *coerced debt or intimate partner identity theft*.

5. What is coerced debt?

Coerced debt is created when you are intimidated or forced into opening accounts or taking out debt in your name. Even if you applied for the account, you may have felt you didn't have a choice or that you would be harmed by that person if you didn't. If you are sued because of that account, this may be a defense to the lawsuit.

5. What is intimate partner identity theft?

Identity theft is when someone uses your identifying information, like your name and social security number, without your permission or without you knowing. *This is illegal no matter who does it*. Even if you are or were married, your spouse cannot legally open or use an account in your name without your permission.

6. When can a creditor or debt collector contact my abuser?

Don't give a confidential address to any creditor or debt collector. If you are still legally married, collectors can contact your spouse. Your abuser

may get notice of actions you take on *joint accounts*, and collectors can contact your abuser to verify your contact information. In bankruptcy, any co-debtors get notice of your filing and can come to the trustee's meeting. Alert your attorney if you need to safety plan.

7. What if I'm divorced?

Debts are often addressed in a divorce, and either spouse may be given responsibility for debts in the other's name. This doesn't change your responsibility with the creditor. Even if your divorce says your ex must pay an account in your name, if you are sued, don't ignore the case!

8. If I have problems with debts, what should I do first?

Identify a safe mailing address to use in your financial actions. Meet with a financial counselor or economic empowerment specialist. This person can help you safely pull your credit and review it with you. He/she can help you dispute accounts that don't belong on your report and decide which debts to pay first if you are able to make payments. A financial counselor can also help figure out steps to start fixing your credit.

9. Do financial crimes affect my order of protection?

Ask a lawyer if you should include the financial offenses of larceny, coercion, and/or identity theft in your order of protection. The court can order your abuser to return documents to you, like a birth certificate or passport. Having these findings on your order of protection could help you later on if you have issues with consumer debts.

10. How can I dispute accounts created by identity theft?

Fill out an identity theft affidavit. Bring it to your local police precinct and ask for a police report. Some may not provide reports, but the law says they have to. Send copies of the report and affidavit, together with letters explaining the debts you are disputing because of identity theft, to the creditors and to all three CRAs. Follow up to make sure the account is investigated and your responsibility is removed.

11. How can I prevent future identity theft?

If you are worried someone will try to open credit in your name, you can set up a fraud alert or security freeze through the CRAs.

- A **fraud alert** means that creditors must verify your identity before opening a new account in your name. It is free and lasts for 90 days. You only need to contact one cra to place the alert, but confirm they will notify the other two.
- A **security freeze** prohibits CRAs from sharing your credit file. If you need to apply for credit, you can contact the CRAs to lift the freeze temporarily. Placing and temporarily lifting the freeze is free for domestic violence survivors with certain documentation. You must contact all three.

12. When should I find a lawyer?

Contact a lawyer if you are considering bankruptcy; or if you receive notice you have been sued, your wages will be garnished, your bank account has been frozen, or the government plans to take your tax refund to satisfy a debt.

13. Get more help

To find a free financial counselor, call 311.

For brief assistance with a consumer lawsuit, including legal advice and help submitting response papers on your own or understanding legal papers you have received, go to the CLARO in your borough for free legal assistance from volunteer attorneys. You can find the most up-to-date information at www.claronyc.org.

- Bronx: 851 Grand Concourse, Room B128A, Thursdays 3-6pm
- Brooklyn: 141 Livingston St., Room 403, Thursdays 2:30-4:30pm & 6-8pm
- Manhattan: 111 Centre Street, Room 105, Thursdays 6-8pm
- Queens: 89-17 Sutphin Blvd., Room 116, Fridays 1:30pm
- Staten Island: alternating days; call 347-927-3417 for schedule

To speak with an attorney about a consumer debt matter or personal bankruptcy, contact our Domestic Violence Consumer Advocacy Project at (718) 286-2450.

If you have tax debts or other tax issues, contact our Low Income Taxpayer Clinic at (212) 426-3013.

Important: *this pamphlet includes both federal and New York law. If you are outside of New York, your state laws may differ.*

The Legal Aid Society
199 Water Street
New York, NY 10038
Phone: 212-577-3300
Fax: 212-509-8432
www.legal-aid.org

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MAKING THE CASE FOR HUMANITY

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