![Mass Bankers Association logo]

Statement of the Massachusetts Bankers Association Regarding
H.1694 & S.1147, An Act Providing Civil Legal Remedies for Victims of Economic Abuse
Joint Committee on the Judiciary
August 14, 2025

On behalf of our more than 120 commercial, savings and cooperative banks and federal savings institution members with more than 72,000 employees located throughout the Commonwealth and New England, the Massachusetts Bankers Association (MBA) appreciates the opportunity to provide our comments regarding **H.1694 & S.1147,** *An Act providing civil legal remedies for victims of economic abuse.* Please see to our comments on specific concerns outlined below.

Definition of "Debt"

As currently drafted in **H.1694 & S.1147**, "debt" is defined as "an obligation, or an alleged obligation to pay money." The legislation applies to **all debt** – "unsecured debt," like credit card debt, and "secured debt," such as home and car loans or commercial or business debt. Should the legislation pass into law as currently drafted, it would be the broadest application of "debt" in similar legislation across the United States.

For example, using the legislation as currently drafted, imagine a married couple with a house but the house is only in the husband's name. Because the definition of "debt" currently includes "secured debt" the husband *could* claim the wife coerced him into signing the mortgage and therefore walk away with a free house. Furthermore, applying a coerced debt bill to "secured debt" is, logistically, extremely difficult. Can the bank repossess the house? How does it impact the foreclosure process? Additionally, the legislation contemplates creditors having to refund any and all payments already made on the debt, which has not been seen in any coerced debt legislation across the country.

We therefore strongly urge the Committee to amend the legislation to specifically **exclude "secured debt"** from the definition of "debt."

Definition of "Debt incurred through Economic Abuse"

As currently drafted, **H.1694 & S.1147** defines "Debt incurred through Economic Abuse" as "a Debt or a portion thereof that was incurred because of identity theft, fraud, duress, intimidation, threat, force, coercion, manipulation, undue influence, misinformation, or the non-consensual use of the Debtor's personal identifying information within the context of abuse by a family member or household member as defined by G.L. c. 209A, sec. 1 and abuse by a caretaker to an elder and/or person with a disability as defined by G.L. c. 265 §13K."

The word "fraud" in the definition outlined above is currently **not defined** in the legislation and is too broad of a term to be undefined. We respectfully request the Committee amend the legislation to **remove the word "fraud."**

Furthermore, we also request the Committee to amend the legislation to **remove "the non-consensual use of the debtor's personal information"** from the definition above as we believe that is effectively a synonym for "fraud," which, as noted above, is problematic.

Definition of "Qualified Third Party"

As currently drafted, the definition of "Qualified Third Party" *could* also include potentially questionable "qualified" parties such as an individual with knowledge of the circumstances or any member of the clergy of a church, religious society, or denomination. We respectfully request the Committee to **amend the legislation to further refine the definition of "Qualified Third Party."**

Conclusion

As you may be aware, Connecticut recently passed similar legislation that received bipartisan support in their Legislature and from advocates focused on domestic violence and financial abuse as well as the banking industry. We believe that using Connecticut's law and process as a template for Massachusetts is a worthy starting point. Thank you for considering our comments on **H.1694 & S.1147,** *An Act providing civil legal remedies for victims of economic abuse.* We look forward to working with the Committee on these important bills, and other policy initiatives in the future.