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New York Enacts Landmark Coerced Debt Law, Delivering Long-Awaited Relief for Domestic Violence Survivors

Legislation Ends Practice of Holding Survivors Responsible for Debt Created Through Abuse

New York, NY (December 19, 2025) — Today, Governor Kathy Hochul signed bill [A.3038-B-S.1353-B](#) into law, marking a major victory for survivors of violence and advocates across New York State. The legislation establishes a civil process and legal protection for survivors experiencing coerced debt, a form of economic abuse in which an abusive partner forces, manipulates, or deceives someone into taking on debt in their name. With the Governor's signature, New York becomes the eighth state to enact protections of this kind, setting a powerful precedent as the financial capital of the United States.

For survivors, the impact will be significant. The new law creates a formal process to dispute debts incurred through abuse and shifts financial responsibility away from survivors and toward the people who coerced the debt. For years, coerced debt has undermined survivors' safety and independence, blocking access to housing, employment and long-term financial stability. This bill ensures that no survivor has to pay for their abuse.

"Today, New York is sending a clear message: survivors should not be punished for abuse they endured," **said Lauren Schuster, Esq., Vice President of Government Affairs at Urban Resource Institute (URI)**. "Coerced debt is a powerful tool of control that traps people in cycles of poverty and violence. This law acknowledges economic abuse for what it is and provides survivors with a real chance to rebuild their lives. We are grateful to Assemblymember Linda B. Rosenthal and Senator Cordell Cleare for their indefatigable defense of survivors of violence. Thank you, Governor Hochul, for delivering this relief to survivors and their families."

"Her Justice applauds New York for signing into law the coerced debt bill," **said Rachel Braunstein, Esq., Director of Policy at Her Justice**. "For the survivors working with Her Justice, the financial precarity of debt they did not intend – even a few thousand dollars – can mean staying in dangerous abusive relationships. But thanks to the leadership of Governor Hochul, Assemblymember Linda B. Rosenthal, and State Senator Cordell Cleare, New York law now creates a pathway for creditors to pursue the right person—abusers who incurred debts to control their victims— so that survivors aren't left paying for their abuse."

"CAMBA Legal Services congratulates New York on joining a growing national movement to provide relief for survivors from coerced debts," **said Divya Subrahmanyam, Esq., Supervising Attorney, Consumer Law Project, CAMBA Legal Services**. "The Consumer Law Project at CAMBA Legal Services is proud to have worked in coalition with other advocates and survivors to advocate for this bill because we knew it would have a transformative impact on our clients' lives. Too often, survivors must live with the devastating financial consequences of another person's abusive actions, and this bill will provide significant economic relief to so many vulnerable clients. We thank the bill sponsors, Assemblymember Rosenthal and Senator Cleare, for their tireless leadership, and Governor Hochul, for signing this bill." **Naomi Young, Esq., Senior Staff Attorney, Consumer Law Project, CAMBA Legal Services**, added: "We look forward to advising clients that New York's law provides them with a just solution for a situation that the law formerly did not account for."

"The Legal Aid Society commends Governor Hochul and bill sponsors Senator Cordell Cleare and Assembly Member Linda Rosenthal for their leadership in bringing this critical legislation into law," **said Claire Mooney, Esq., DV-Consumer Staff Attorney at The Legal Aid Society**. "This bill establishes an important legal process that gives survivors of domestic violence and elder abuse the long-needed right to challenge debts

they did not choose to incur. It creates a much-needed pathway for survivors in New York to overcome a significant barrier to personal and financial freedom from cycles of abuse and poverty.”

Economic abuse occurs in an overwhelming majority of domestic violence cases and is one of the most common ways that abusers exert and maintain control. Survivors are often coerced into opening credit cards, taking out loans or assuming financial obligations under threat or deception. These debts, most totaling in the thousands, can follow survivors for years, damage credit scores and limit basic opportunities.

Assemblymember Linda B. Rosenthal and State Senator Cordell Cleare, the bill’s sponsors and champions, emphasized the significance of the moment after two years of advocacy and legislative action.

“Survivors of domestic violence have long been forced to cover the debts incurred in their name by their abusers. Without a legal process in place to challenge this economic abuse, survivors have been left to suffer under the burden of these debts,” **said Assemblymember Linda B. Rosenthal (D/WF - Manhattan), Chair of the Assembly Committee on Housing.** “With the signing of my legislation to protect victims of coerced debt, they now have the ability to make their case and not be held responsible for debts they did not take on. Domestic violence is rarely limited to physical abuse and it is past time that our laws recognize this. I applaud the work of the Economic Justice for Survivors Collaborative and look forward to seeing this law help survivors around the state begin to rebuild their lives.”

State Senator Cordell Cleare, Prime Senate Sponsor, said, “The movement and effort behind this bill is about one universal human right: survivors must be given empowering support to rebuild their life, and to grow and heal. Today, we change our laws to be more compassionate, understanding and equitable. Everyone involved in this effort can feel justifiably proud about this accomplishment, and more importantly, the real world impact it will have.”

Under the bill, survivors can submit documentation demonstrating that the debt was incurred through coercion, triggering a review process that requires creditors to investigate and pursue the appropriate party. Significantly, the bill also allows survivors to assert coerced debt as an affirmative defense if a creditor sues them to collect the debt, and allows both survivors and the Attorney General to bring affirmative cases against creditors who refuse to abide by the law. The law represents a structural shift in how financial systems respond to domestic and other forms of violence and represents a critical step toward survivor safety and accountability.

Service providers that support victims of domestic violence, such as URI, have long underscored how coerced debt undermines every step of the path to independence. The passage of this legislation comes at a moment of heightened urgency, as domestic violence rates continue to rise and economic pressure intensifies for low-income New Yorkers.

Advocacy on this legislation was led by members of the Economic Justice for Survivors Collaborative (EJSC), which includes URI, CAMBA, Her Justice and the Legal Aid Society of New York. It was supported by more than 50 nonprofit organizations across New York State, which advocated for its passage. The coalition includes domestic violence service providers, legal advocacy groups, economic justice organizations and survivor-led initiatives.

For immediate assistance, please call NYC’s 24-hour Domestic Violence Hotline at 1-800-621-HOPE or the National Domestic Violence Hotline at 1-800-799-SAFE.

About Urban Resource Institute:

Urban Resource Institute (URI) is a pioneering organization that transforms the lives of domestic violence survivors and homeless families by empowering individuals, families and communities to break free from cycles of domestic violence, homelessness, poverty and trauma. As the largest provider of domestic violence shelter services in the U.S. and a leading advocate for homeless services, URI impacts over 40,000

individuals annually through prevention, intervention, education and direct services in both residential and non-residential settings in New York. URI is recognized as a thought-leader with influence across the U.S. and beyond. For more information, visit www.urinyc.org or follow on Facebook, Instagram, LinkedIn and Twitter.

About Her Justice

Her Justice takes a 'pro bono first' approach to providing legal services to New Yorkers living in poverty, advocating for and with women and other gender diverse New Yorkers as they seek autonomy and safety through our civil justice system. Since 1993, we've provided life-changing free legal help to over 45,000 women and children. We've also pursued policies that have bettered the experiences and outcomes for hundreds of thousands more. Her Justice is committed to creating a more fair and functional civil justice system for women in New York City, so they can build safer, freer futures for themselves, their families, and their communities.

About CAMBA Legal Services

CAMBA Legal Services provides free, high-quality legal representation and advice to New Yorkers facing eviction or foreclosure, people fighting high consumer debt, immigrants and refugees seeking U.S. residency, and victims of domestic violence. CAMBA serves more than 4,500 low-income people each year, working to protect their rights and promote access to justice in the civil legal system and beyond. CAMBA's attorneys also connect clients to our programs and services, meeting their needs beyond legal aid. CAMBA's Consumer Law Unit provides legal assistance to clients in consumer matters, including debt-collection proceedings and identity theft advocacy.

About The Legal Aid Society

Founded in 1876, The Legal Aid Society is the oldest and largest not-for-profit provider of free direct legal services to low-income families and individuals in the United States. Operating from 24 locations in New York City with a staff of over 2,300, over 480,000 individuals and their families benefitted from the Society's holistic direct services last year. The Society's law reform and social justice advocacy benefits some two million low-income individuals and families in New York City.

The mission of The Legal Aid Society's Civil Practice is to improve the lives of low-income New Yorkers by providing legal representation and advocacy to vulnerable families and individuals so that they are able to obtain and maintain the basic necessities of life and access the benefits to which they and their families are entitled. The Society's Civil Practice focuses on enhancing individual, family, and community stability by serving our clients in resolving a full range of legal problems in the areas of housing, public benefits, foreclosure prevention, immigration, domestic violence and family law, health law, employment, elder law, tax law, community economic development, health law, and consumer law. The Society's Consumer Law Project provides direct representation and advocacy on behalf of low-income New Yorkers on consumer debt issues. Recognizing the need for consumer advocacy for this population, we have a consumer attorney dedicated to working with survivors of domestic violence.