Addressing Survivors’ Economic and Consumer Barriers to Housing (Individual Advocacy)

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UCI Law Clinics: Consumer Law Clinic; Domestic Violence Clinic

Hosted By: Sara Wee & Yvette Butler, CSAJ
What **economic or consumer** barriers to accessing or maintaining housing do you see survivors face?

Introduce yourselves in the chat!
Objectives

After today’s training, you should walk away:

- Able to identify credit and other economic issues survivors confront when they seek housing (with a particular focus on barriers for marginalized survivors)

- Understanding advocacy strategies as well as legal remedies available to address credit-related barriers to housing,

- Equipped with tools/resources and increased confidence to address credit-related barriers to housing for survivors.
What We Will Cover

- Overview of CSAJ’s Mission and Vision
- Brief overview of the housing landscape
- Legal remedies and strategies to address credit and economic-related barriers to accessing and maintaining housing
CSAJ’s Mission & Vision

- **Mission:**
The Center for Survivor Agency and Justice promotes advocacy approaches that remove systemic barriers, enhance organizational responses, and improve professional practices to meet the self-defined needs of domestic and sexual violence survivors.

- **Vision:**
The Center for Survivor Agency and Justice envisions a world where all people have equal access to physical safety, economic security, and human dignity.
CSAJ Key Projects

- Consumer Rights for Domestic & Sexual Violence Survivors Initiative
- Racial and Economic Equity of Domestic & Sexual Violence Survivors Project
- Accounting for Economic Security: An Atlas for Direct Service Providers
Using the Guidebook

1. Introduction: Economic Coercion and Survivor-Centered Economic Advocacy
2. Credit Reporting & Repair for Survivors
3. Credit Discrimination & Predatory Lending
4. Debt, Debt Defense, and Safety Considerations for Survivors
5. Identity Theft
6. Navigating Student Loan Solutions
7. Bankruptcy & Alternatives
8. Foreclosure
9. Tax Advocacy
10. Consumer Issues in Family Law
11. Using the Civil Protection Order as a Tool for Economic Justice
12. Civil Court Barriers
13. Housing Protections
14. Workplace Discrimination & Advocacy
15. Criminal Records & Employment Rights

https://csaj.org/Guidebook
Using the Guidebook: Survivor Stories

Diverse survivor stories bring content areas into focus and center the challenges, strengths and opportunities of survivor centered economic advocacy.

Anne’s Story

Consider Anne’s story as you think about the connection between abuse and student loans.

Anne took out a subsidized and an unsubsidized Stafford Loan and a Perkins loan to support her undergraduate education, but dropped out after one year of school when she became pregnant by her then-boyfriend, Ben. They are now married. Ben’s abuse started shortly after the birth of their first child. He is their sole source of income, and they now have four children to support. Since leaving school, Anne has not been able to obtain a job due to Ben’s abuse and her need to care for the children. After a recent physical assault by Ben, Anne fled to a shelter with her children. While helping her kids adjust she has also begun seeking employment.

Since her student loans came due for repayment, Anne has not been able to make consistent payments. Though she is not exactly sure when she made her last payments, Anne does not believe she is in default yet. Ben controls the finances, makes all the tax filings, keeps records of Anne’s personal information (social security number, etc.), and has prevented Anne’s access to such information in the past. Anne is unfamiliar with her financial or tax information and does not know how to access that information readily. She comes to you, hoping for help in getting a handle on all her finances. To make ends meet, she knows she may need to return to school in the future and so is worried about how to pay for her current loans.

Think About It

How are the student loans affecting Anne’s financial situation right now? What are her financial priorities to keep her and her children safe? What are her financial goals? What else do you want to know about her and her relationship with Ben to assist your advocacy? Are there any cultural considerations you need to know more about to assist your advocacy?
Using the Guidebook: Issue Spotting & “Think about it”

The following information can help guide interactions with the survivor:

- Do you know what kind of loan(s) you have (and use the National Student Loan Data System (NSLDS) to confirm)?
  
  **Note:** The difference between federal and private loans is not always clear because the same lender may make both kinds of loans. Since the NSLDS only lists federal loans, determining that a loan is listed in the NSLDS is a way of verifying that it is a federal loan. The borrower’s promissory note will also state the federal loan program under which the loan was extended if it is a federal loan.

- What is the status of your loans (e.g., current, delinquent, default, in forbearance or deferment)? If the loan is a federal loan, the NSLDS will show its current status.

- How much do you still owe? What are the monthly payments? Do you remember the date of the last payment?

- [If the survivor is married] Do or did you and your spouse file taxes jointly or separately? Who controls the household finances, tax filings, etc.?

- What is your current income, family size, and financial ability?

- Has the lender tried to seek repayment from you?

- Where and when did you go to school? Did you finish or have problems with the school?

- Are you trying to go back to school? Would you need more loans to do so? If so, then avoiding or getting out of default is critical.

- Have you ever filed for bankruptcy?

- Are you a veteran or have a disability?

**Practice Tip**

For survivors who have changed their name, especially those who have not engaged with their loans since being in school, many loan documents will be in the name used when the survivor was in school. Depending on the reason for the name change, this can be a sensitive issue for survivors.

Assessment questions throughout help frame, guide, and deepen survivor centered economic advocacy (SCEA)

“Think About It” sections challenge readers to broaden perspectives on SCEA

Focus on how intersectional identities impact SCEA
Using the Guidebook: Practice Tips

Easily located information

Clear practice tips

- Direct, hands-on practice ideas for effective SCEA with survivors

- Tips come from practitioners working in the field

Standard, graduated, and extended repayment plans

Under the standard repayment plan, monthly payments will be the same amount for each installment period and will only change if there is a variable interest rate. Standard plans carry the highest monthly payments, and generally, borrowers must pay within five to ten years. Borrowers who do not select a different repayment plan within the allotted time period will be automatically assigned the standard repayment plan. Under the graduated repayment plan, monthly payments start low and increase over the course of the repayment period. For most borrowers, income-driven repayment plans are a safer option because they base payments on actual income, rather than an expectation of reliable raises, and they reduce payments if income drops. The extended repayment plan applies to borrowers with a loan exceeding $30,000. Under this plan, the borrower may repay on either a fixed or graduated scale for longer than ten years, but no more than 30 years.

Practice Tip

Beware of “Student Loan Relief” companies. Predatory companies have targeted borrowers, particularly low-income and vulnerable borrowers, by claiming to provide a service to aid borrowers in applying for reduced loan payments. These companies often charge excessive fees and may falsely hold themselves out to be authorized agents of the federal government. Applying for reduced loan payments on a federal student loan is free, and can be done online using the Department of Education’s website or with help from the borrower’s loan servicer. Similarly, applying for a federal loan discharge is free. Be wary of any company your client may have paid to aid in applying for relief.
The Landscape

Economic & Consumer Barriers to Housing
OVW-Funded Housing Services

77% of DV programs provide emergency shelter

13,167 children
12,568 adults
received emergency shelter

39% of DV programs provided transitional housing to victims and their children

8,591 children
5,976 adults
were provided with transitional housing
Service Gaps are Housing-Related

60% of service gaps are housing-related
Other Economic Needs & Racial Disparities

Needs: Immediately Leaving Shelter

- Health Care: 77%
- Education: 78%
- Social Support: 80%
- Material Goods: 95%

Experiences Compared to White Survivors

- Length of Shelter Stay: 14 days
- Access to Car: 44%
- Are Sole Provider: 34%
- Lives in Poverty: 45%

Source: Sullivan & Rumptz, 1994
A racialized issue

- In Connecticut, 18% of 25,000 arrests were dual-arrest (significant increase since implementation of dual arrest laws) (Miller, 2001 citing Martin, 1997)

- In NYC, 70% of dual-arrests involve Black or Latina women (Haviland et al, 2001)

- There were significantly more Black women in county jails, state prisons, and federal prisons than White women, despite the fact that Black women are only about 12% of the national population. (M. Jacobs, 2017 citing Bureau of Justice statistics, 1999)
Housing Ripple Effect

During
- 99% Economic abuse
- 71% No financial info
- 52% Coerced debt

Safety
- Re-Location Costs
- Shelter Requirements
- Evicted for calling police
- Shelter/Housing availability
- Other needs unmet

Short-Term
- Credit & Criminal Records
- Landlord abuse
- Poor quality/unsafe
- No accommodation

Lifetime
- Debt Collection / Judgments
- Chronic housing instability
- Lost opportunity (self/child)
Consumer Rights for DV Survivors

UCI Consumer Law Clinic
UCI Domestic Violence Clinic
Sponsored by: The Center for Survivor Agency and Justice
Check your advocacy (attendee polls)
Check Your Advocacy: Attendee Poll

1. Who are the advocates in the room?
   a) DV attorney
   b) Consumer rights attorney
   c) Social worker
   d) Community advocate
   e) Other
2. Does your organization include questions about financial abuse during the screening/intake process?
   a) Yes
   b) No
   c) Sometimes / to a limited extent
Check Your Advocacy: Attendee Poll

3. If yes, at what point does your organization screen for financial abuse?
   a) At intake
   b) If financial concerns arise during representation
   c) When the client returns to your organization after suffering some displacement as a result of financial abuse
   d) Other
Basics on DV Control
Coercive Control

A “pattern of violent acts and their political framework, the pattern of social, institutional, and interpersonal controls that usurp a survivor’s capacity to determine her destiny.”

Battering is “linked with social inequality, the systemic nature of . . . oppression[s] in a particular relationship.”

--Evan Stark

Violence is but a moment within a larger context of coercive control.
Coercive Control

- **Ongoing, gendered, and personalized** micro-regulation of everyday behaviors
- Control over and exploitation of an individual’s survival resources and personal (e.g. economic) benefits
- Effects are cumulative

<table>
<thead>
<tr>
<th>Dynamics of Coercive Control</th>
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<tbody>
<tr>
<td>Subordination of will by violating physical integrity</td>
<td>Domestic Violence</td>
</tr>
<tr>
<td>Deprivation of respect and autonomy</td>
<td>Intimidation</td>
</tr>
<tr>
<td>Deprivation of social connectedness</td>
<td>Isolation</td>
</tr>
<tr>
<td>Appropriating or denying access to resources required for personhood and citizenship</td>
<td>Control</td>
</tr>
</tbody>
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Source: Evan Stark, Coercive Control, 2009
DV Dynamics and Control

- **Domestic Violence**: the exercise of abusive behavior as part of a systematic pattern of power and control perpetuated by one intimate partner against another.¹

- Includes:
  - Physical violence
  - Sexual violence
  - Threats
  - Emotional/psychological abuse
  - Abuse based on status
  - Economic and benefits abuse

¹ National Coalition Against Domestic Violence, www.ncadv.org
## Economic Abuse

“[C]ontrolling a survivor’s ability to acquire, use, and maintain economic resources.”

- 99% of survivors report experiencing some form of economic abuse

### Interference with access to education and employment

<table>
<thead>
<tr>
<th>Financial Abuse</th>
<th>Financial Despair</th>
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<tbody>
<tr>
<td>• Batterer controls:</td>
<td>• Victim feels unable to provide for her children without batterer’s assistance</td>
</tr>
<tr>
<td>• Estate planning</td>
<td>• Insufficiency or inaccessibility of emergency assistance</td>
</tr>
<tr>
<td>• Access to financial records</td>
<td>• Texas study: 85% of victims polled had fled abuse multiple times previously, and cited financial despair as the number one reason for returning to the batterer</td>
</tr>
<tr>
<td>• All financial decisions</td>
<td></td>
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<tr>
<td>• Victims forced to take part in unlawful financial transactions:</td>
<td></td>
</tr>
<tr>
<td>• Threat of indictment for fraud reinforces victim’s helplessness and batterer’s control</td>
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DV Dynamics and Control: Economic Ripple Effect

During relationship:
Forgone personal advancement

Leaving relationship:
Uncertainty/instability

Short term:
Direct costs

Long term:
Opportunity costs; vulnerability

Source: CSAJ Guidebook On Consumer & Economic Civil Legal Advocacy for Survivors
Accessible at: https://csaj.org/Guidebook_form
Screening for Financial Abuse

Financial insecurity leads to increased vulnerability to violence

Incorporate questions about credit/banking/debt into DV intake interviews

• Prior economic harms

Ask about control over and knowledge about financial resources in the home

• Future economic security

Important for divorces or permanent restraining orders – access to property to which survivor is entitled

• Ask for kickout order/rental payments in restraining/protective order

Best source of information -- client’s credit report

Consult the [CSAJ Consumer Rights Screening Tool](https://www.csaj.org) for Domestic Violence Advocates and Lawyers
Screening for Financial Abuse

1. Financial insecurity leads to increased vulnerability to violence

2. Incorporate questions about credit/banking/debt into DV intake interviews
   - Prior economic harms

3. Ask about control over and knowledge about financial resources in the home
   - Future economic security

4. Important for divorces or permanent restraining orders – access to property to which survivor is entitled
   - Ask for kickout order/rental payments in restraining/protective order

5. Best source of information -- client’s credit report

6. Consult the CSAJ Consumer Rights Screening Tool for Domestic Violence Advocates and Lawyers
Maryam’s Story

- An immigrant survivor had experienced economic abuse and control. Family law attorneys referred her to the consumer advocates once a protective order was in place.

- A local non-profit organization helped Maryam file an ID theft police report and a credit counselor helped to send dispute letters.

- Most of the fraudulent accounts were removed from her credit report, but one creditor refused to delete, impacting her ability to qualify for low-income housing.

- A referral was made the legal aid consumer team for help enforcing her rights under the Fair Credit Reporting Act.

- Working in collaboration, her advocates cleared the fraudulently opened accounts from her credit report.
Restricted Access to Financial Resources

- Controlling bank account
- Not allowing victim to attend school/work
- Overdrawing bank account
- Spending credit cards to limit
- Not making car/rent/mortgage payments
- Not making child support payments / refusing to work
- Opening accounts in her name
- Not paying taxes/underreporting income on tax returns
Effects of Financial Abuse on Marginalized Populations

- Low-income families and access to fair credit products
- Access to housing with a Section 8 voucher
- Limited English Proficiency survivors
- Immigrants
- Youth
- Seniors
The Role of Consumer Reports in Access to Rental Housing
What is a Consumer Report?

**Consumer report:** a statement that has information about your credit activity and current credit situation

These reports often contain:

- Personal information
- Credit accounts
- Collection items
- Public records
- Inquiries

Intro to Specialty Consumer Reports

Big 3 consumer reporting agencies:

Equifax, Experian, TransUnion

Specialty consumer reporting companies for Tenant Screening

Ex: CIC, CoreLogic, Screening Reports, Inc.

Find the full list at:
Public Record Information

National Consumer Assistance Plan (NCAP)

All civil judgments and about half of the tax liens on consumer credit records have been removed as a result.

The number of reported bankruptcies remained virtually unchanged.

Eviction records are not included because they have a higher degree of accuracy
• Important because landlords typically will not rent to potential tenants who have evictions.
• Many people know if they have evictions on their record, but survivors may not know what happened to their home after they left.

How to Obtain Consumer Reports

Under the Federal Fair Credit Reporting Act (FCRA), all consumer reporting companies are required to provide you a copy of the information in your report if you request it.

You are entitled to a free credit report every 12 months.

You may access the big 3 at
via:

Phone: (877)322-8228
Online: AnnualCreditReport.com
Mail: P.O. Box 105281, Atlanta, GA 30348-5281

CONSUMER REPORT REQUEST

In order to process your request for a copy of your CoreLogic Teletrack (“Teletrack”) consumer report, please complete this form and return it to us at the address or fax number provided above.

Last Name: ___________________________ First Name: ___________________________ MI: ___________________________

Maiden Name or Other Last Names: ________________________________________________________________

Social Security Number: ___________________________ DOB: ___________________________

Phone Number: ___________________________ State: ___________________________

Address: ____________________________________________________________

City: ___________________________ State: ___________________________ Zip: ___________________________

Please include a legible copy of your government-issued identification card (for example, Driver’s License) containing your address.

If your current address is different from that stated on your government-issued identification card, please provide one of the following (please ensure your current address is included in the document(s) you provide):

- Utility Bill
- Cell Phone Bill
- Cable Bill
- Military Orders

Addresses of any other residences you have occupied in the last five years:

Address 1: ____________________________________________________________

Address 2: ____________________________________________________________

Address 3: ____________________________________________________________

BY SUBMITTING THIS FORM, I AGREE THAT I AM THE PERSON NAMED ABOVE AND I UNDERSTAND THAT IT MAY BE A VIOLATION OF FEDERAL AND/OR STATE LAW TO OBTAIN A CONSUMER REPORT ON ANY PERSON OTHER THAN MYSELF, AND THAT UNDER THE FAIR CREDIT REPORTING ACT, ANY PERSON WHO KNOWINGLY AND WILLFULLY OBTAINS INFORMATION ON A CONSUMER FROM A CONSUMER REPORTING AGENCY UNDER FALSE PRETENSES SHALL BE FINED UNDER TITLE 18, UNITED STATES CODE, IMPRISONED FOR NOT MORE THAN 2 YEARS, OR BOTH.

Printed Name: ____________________________________________________________

Signature: ____________________________________________________________ Date: ___________________________
Barriers to Accessing Consumer Reports

Address on government ID may not match current address

Proposed solutions:
- Request by phone or mail
- Use a P.O. Box or a “Safe at Home” address
- Letter from DV shelter

Be careful about disclosing confidential location information in case your client’s personal information has been compromised

Any address put on a CR request form will be associated with the consumer’s information
Identity Theft
Safety Planning

Banking Strategy
- Close joint bank accounts
- Secure existing bank accounts
- Create new bank accounts

Advocacy Strategy
- Police report, FTC complaint, assert rights under the FCRA & state laws, etc.

Safety Concerns
- Keep personal information private
- Change passwords on all accounts or change phones
- Be careful about revealing location on social media
- Make sure location data is turned off on cell phones
- Know how to access accounts if locked out
- Minimize the economic and safety risks
State Identity Theft Statutes

*Identity Theft and Assumption Deterrence Act* makes identity theft a federal crime.

Identity theft laws in most states make it a crime to misuse another person's identifying information, regardless the relationship between the perpetrator and victim.

**California Penal Code § 530.5:** a felony or misdemeanor

*Fair Credit Reporting Act (FCRA) v. Investigative Consumer Reporting Agencies Act (ICRAA)*

16 CFR § 681.1: if report with sufficient documents (i.e. police reports), credit reporting agency should remove the account within 5 days

Cal. Civ. Code §§ 1786-1786.60: consumers should be given copies of their investigative reports
Creating a Record: FTC Complaint and Police Report

**Step 1:**
Review credit reports to identify fraudulent accounts

- Complete the [online form](#) or call 1-877-438-4338
- Make sure you print a copy for your records

**Step 2:**
File a Complaint with FTC

**Step 3:**
Obtain a Police Report to document the ID theft

**Caveat:** this step alerts to authorities of a crime that could lead to criminal charges. Precautions should be taken if survivors still live with abusers

**Step 4:**
Remove or dispute fraudulent accounts

- The documents will trigger the credit bureau to open a dispute and remove the fraudulent accounts
- Will relieve victims’ debt liabilities and clear the credit report

How to Recover from an Identity Theft: [https://www.identitytheft.gov/Steps](https://www.identitytheft.gov/Steps)
Creating a Record: FTC Complaint and Police Report

File a Police Report: Checklist

• A copy of your FTC Identity Theft Report
• A government-issued ID with a photo
• Proof of your address (mortgage statement, rental agreement, or utilities bill)
• Any other proof you have of the theft (bills, IRS notices, etc.)
• FTC's Memo to Law Enforcement [PDF link provided]

FTC Special Forms of ID Theft

• Tax Identity Theft: complete the IRS Identity Theft Affidavit [link provided]
• Child Identity Theft: notify the creditors (minors cannot be bound by legal contracts) to freeze or clean the credit reports
• Medical Identity Theft: notify health provider and insurer

How to Recover from an Identity Theft: https://www.identitytheft.gov/Steps
Fair Credit Reporting Laws That Protect Consumers
Right to an Accurate Report of Information

Consumer Reporting Agencies **must** correct or delete inaccurate, incomplete, or unverifiable information, usually within 30 days.

If the consumer agency verifies the information as accurate, it may continue to report that information.

In cases of fraud and inaccuracy, it is helpful to send a copy of the dispute letter to the creditor as well as the CRA.

The dispute must come directly from the consumer, not from the advocate or attorney.

Disputes

Consumers have the right to dispute incomplete or inaccurate information.

If you identify and report incomplete or inaccurate information to the consumer reporting agency, the agency **must** investigate, unless your dispute is frivolous.

Why not just call up the creditor that is misreporting?

Dear [Name of credit reporting company: Equifax or Experian or TransUnion],

I am writing to dispute the following information that appears on my [Equifax or Experian or TransUnion] consumer report:

Dispute 1 [The following examples are meant to be helpful, include all disputes that apply]

- **Account Number or other information to identify account:** [Insert account number or other information, such as account holder names and past addresses. This is especially important if you have had multiple accounts with the same company.]
- **Source of dispute information:** [Insert the name of the company, such as the bank, that provided the information to the credit reporting company.]
- **Type of disputed information:** [Insert category of disputed information such as public records information, unknown credit account/tradeline, inquiry, etc.]
- **Dates associated with item being disputed:** [Insert the date that appears on your report. This helps ensure that the correct account is identified by the company and to identify which aspects of the report are being disputed. You can still file a dispute if you don’t have this date.]
- **Explanation of item being disputed:** [Insert details about why you think the information is inaccurate. Choose one of the choices below if it fits, or add your own description.]
  - My report includes accounts with a reported name that is different than mine.
  - I don’t recognize the accounts in question.
  - The report shows I owed money to the company that I have already repaid. [Give details about when you paid, and attach a copy of any proof that you have.]
  - The current status of my account is not correct. The report shows that I am delinquent but I have made all of my payments on time. [Include account history or other information that shows the on time payments.]
  - I’m the victim of identity theft and I don’t recognize one or more of the accounts on my report. [You may wish to include a copy of the FTC Identity Theft Affidavit describing the identity theft.]
  - Other [Describe what is wrong with the report and include copies of any additional supporting documentation that you have.]

Dispute 2 [Continue numbering for each disputed item on your report and include the same information.]

[Include the following sentence if you are including a copy of your credit report or other supporting documentation.]

I have attached a copy of my report with the accounts in question circled.

Thank you for your assistance.

Sincerely,

[Your name]
Question: Respond in the chat!
Seven-Year Limitation on Negative Information

Consumer reporting agencies **may not** report outdated negative information.

In most cases, a consumer reporting agency may not report negative information that is more than seven years old, or bankruptcies that are more than ten years old.

Questions about Credit Reports and
ID Theft?
Understanding Credit Scores
Coerced Debt

Abusive partners will use and abuse credit as a means of control.

Coerced debt: all non-consensual credit-related transactions that occur in a violent relationship.

- Opening accounts without partner's knowledge or consent
- Running up high balances
- Refusal to pay balances
- Force survivors to obtain loans
- Lie about paying the bills on time or at all

Credit history impacts myriad sectors:

- Housing, employment, car and home insurance, loans, utilities, banking, etc.

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### Understanding Credit Scores

#### Differentiating terms:

<table>
<thead>
<tr>
<th>Term</th>
<th>Description</th>
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<tbody>
<tr>
<td><strong>Credit</strong></td>
<td>loans of money or a debt resulting from a purchase with a promise to pay back</td>
</tr>
<tr>
<td><strong>Credit file (aka credit record / history)</strong></td>
<td>credit information gathered about an individual by credit reporting agencies</td>
</tr>
<tr>
<td><strong>Credit reporting agencies</strong></td>
<td>companies that collect, store, and summarize credit related information on consumers</td>
</tr>
<tr>
<td><strong>Credit report</strong></td>
<td>physical representation of the information from the credit file in the format presented to consumers and businesses</td>
</tr>
<tr>
<td><strong>Credit score</strong></td>
<td>number determined by a statistical algorithm given to an individual based on the information on their credit report (e.g. FICO)</td>
</tr>
<tr>
<td></td>
<td>• Used by lenders or landlords as a quick way to assess how likely it is that a person will repay their debts</td>
</tr>
</tbody>
</table>
Understanding Credit Scores

- Payment history:
  - Did the survivor participate in paying bills?
  - Is their payment history harmed by coerced debt or financial abuse?

- Length of accounts:
  - Companies prefer longer-held accounts and payment histories
  - “Authorized user”

- Mix of credit:
  - What different types of credit does the survivor have?

- Impact of collection accounts:
  - Significant negative effects on credit scores
How to Improve Credit Scores

- **The consumer’s best friend is time**
  - Wait out the 7 years
  - Try not to incur additional negative entries

- **Build credit with secured credit cards**

- **Use asset-building techniques like peer-lending circles**

- **Use credit cards carefully – pay the balance down and keep less than 50% debit-to-credit ratio on each card**
Debt Collection and the Lifecycle of Defaulted Debt
Types of Consumer Debt

Secured debt

• Car loans, home loans, home equity lines of credit
• Debt collection takes the form of the loss of the property

Unsecured debt

• Medical bills, credit card debt, private student loans
• Debt collection results in phone calls, letters, and sometimes a collection lawsuit

Government debt

• Court debt, traffic and parking citations, federal student loans, unpaid taxes
• Debt collection can result in offset of tax refund, administrative levy of bank account, or garnishment of wages
Tackling Debt Collection Problems

Seek immediate help if facing foreclosure

- AVOID SCAMMERS - NEVER PAY ANYONE TO HELP.
- Contact your local legal aid office for assistance or trustworthy referrals.

Do not ignore a debt collection summons & complaint

- The first step is to file an Answer with the court, not just show up to court.
- Seek help from your local legal aid office or self-help materials from the court
- → Settlement or other resolution on the survivor's terms, rather than a default judgment

Contact government debt collectors for options

- Ability-to-pay evaluations for court and traffic debt
- Income-driven payment plans for federal student loans
- Non-collectible status or innocent spouse relief options for tax debt
Time-Barred Debt & Settlement Considerations

- Debt collectors have years to file a civil action to collect on unsecured debts → check your state statute of limitations (SOL)

- What is your local SOL for claims for breach of written contract?
  - Does your state have special laws that apply to debt collection cases?
  - What constitutes breach?
  - What is the last item on the account?

- Small payments will reset an SOL / lump sum payments are better

- It is often better to let an old debt time out if it is close to being time-barred!
How to Resolve Debt Reduced to Judgment

• Payment through garnishment or levy
• A negotiated payment plan
• Settlement (lump sum is better than payments)
• Motion to set aside default judgment
  • What if the survivor was never served?
  • What if she failed to respond because she didn’t understand the process?
  • Check your state law on the right to set aside a judgment if the defendant had no notice
• Bankruptcy will discharge unsecured debt, including debt reduced to judgment
• Seek reimbursement for community debts in family court
Questions about Credit Scores or Debt Collection?
Second-Chance Opportunities
Second Chance Banking Product

Goal: to get you back on track to banking at a traditional financial institution, even if you have bad credit

Negative records can remain 7 years unless successfully disputed

Available nationwide at banks and Western Union

• BBVA
• OneUnited Bank
• Radius Bank
• Washington Savings Bank
• Etc.

Advocacy with Landlords for a Second Chance

When a consumer applies for housing, they give consent for a consumer report to be obtained by the landlord.

Denied / expelled from housing for bad credit / eviction record

Eviction records are public records and remains on a tenant report for 7 years.

Solutions:

If the survivor actually lived there, bring a letter to landlord that explains bad credit or evictions were a result of DV.

- Letter from social worker, shelter, attorney, or other advocate

If identity theft, file a dispute with the tenant screening company with proof of other residence.

Additional sources of housing protections for DV survivors:

Violence against Women Reauthorization Act of 2013 (VAWA 2013)

Housing Rights of Domestic Violence Survivors, a State and Local Law Compendium
Letters of Recommendation and Support

Consumer advocates focus on survivor-centered advocacy

Consumer advocates help protect survivor’s right to privacy

Survivors don’t always have to share their personal stories to resolve financial issues.
Sharing stories makes it easier for advocates to write letters of recommendation and support.
But advocates can also use other documents to help survivors regain economic stability:
• Second-chance banking products
• Program-completion certificates
• Etc.
Looking Out for Scams

Warn survivors about scammers!

Student loan rescue scams
- No one should pay for consolidation, rehabilitation, or being placed on income-driven plan for their federal loans
- Student loan scammers will illegally pull credit reports and know the amount the borrower owes - do not fall for it just because they have personal information!

Foreclosure rescue scams
- Recorded notices of default are public record

Credit repair organizations
- Ask for kickout order/rental payments in restraining/protective order

Debt settlement companies
- State law may limit fees; consumers can save up and settle by themselves without paying fees

Housing listing scammers - never send money to hold an apartment
Questions?
Conclusion

UCI Law Clinics

Contact Information: craba@law.uci.edu

www.csaj.org for more resources
Accounting for Economic Security

An Atlas for Direct Service Providers

Mapping the Terrain

1. Economic hardship and poverty constrain survivors’ options for safety

2. The economic impact of violence ripples throughout survivors’ lives

3. Systemic barriers impede survivors’ access to economic stability

4. Social inequality restricts survivors’ options for economic security and safety

Download
Purpose is to dialogue-back with Listening Session conversations in order to aid self-reflection, challenge dominant narratives, support improved data collection and analysis, and to begin, continue, or advance conversations and work toward racial equity for domestic and sexual violence survivors and for all of us.

DOWNLOAD
CSAJ’s Guidebook

Guidebook on Consumer & Economic Civil Legal Advocacy for Survivors

A comprehensive and survivor-centered guide for domestic violence advocates and attorneys

*Chapters Include:*  
- Credit reporting and repair  
- Debt collections and defense  
- Bankruptcy and foreclosure  
- Federal tax advocacy  
- Economic relief in civil protection orders  
- Economic issues in family law  
- Barriers in civil court  
- Rights and protections: housing and employment

[https://csaj.org/Guidebook](https://csaj.org/Guidebook)
Resources

- **CSAJ's National Needs Assessment Report**
- **Economic Ripple Effect DV Report Article**
- **CSAJ’s Pilot Site Report**
- **CSAJ’s Assessment Tool for Attorneys & Advocates**

- **CSAJ’s Resource Library**
- **Past webinars on consumer issues**
Spotlights on Innovative Consumer Justice Initiatives

- **Purpose:** Spotlights are a Peer Exchange opportunity to share best-practices in consumer and economic advocacy with the field.

- Interested? **Complete this form** [https://goo.gl/forms/jDpmAIQK DZqpoG3t2](https://goo.gl/forms/jDpmAIQK DZqpoG3t2)
  - We’ll follow-up!
THANK YOU!

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