



HOUSE BILL 515: North Carolina Economic Abuse Prevention Act.

2025-2026 General Assembly

Committee:	House Judiciary 3. If favorable, re-refer to Finance. If favorable, re-refer to Rules, Calendar, and Operations of the House	Date:	April 29, 2025
Introduced by:	Reps. T. Brown, Howard, Setzer, Carney	Prepared by:	Jessica Sammons
Analysis of:	PCS to First Edition H515-CSBK-4		Committee Counsel

OVERVIEW: *The PCS for House Bill 515 would do the following:*

- *Provide that a person who causes another person to incur a coerced debt would be civilly liable to the claimant for the amount of the debt determined to be coerced, plus the claimant's attorney's fees and costs.*
- *Create a procedure for a debtor to request that a claimant determine that a debt held in the debtor's name is coerced debt, including requiring collection efforts to cease during the investigation and, if the debt has been reported to a credit bureau, that the reporting be changed to disputed during the investigation.*
- *Create an affirmative defense of coerced debt in an action against a debtor to satisfy a debt.*
- *Provide relief for the debtor who is able to show, by a preponderance of the evidence, that a debt is coerced.*

BILL ANALYSIS: The PCS for House Bill 515 would provide that a person who causes another person to incur a coerced debt would be civilly liable to the claimant for the amount of the debt determined to be coerced, plus the claimant's attorney's fees and costs. A coerced debt would be defined as a debt incurred for personal, family, or household use in the name of a debtor who is a victim of domestic violence, a victim of domestic abuse, or a current or former child in foster care incurred as a result of duress, intimidation, threat of force, force, or undue influence.

The PCS would do all of the following:

- Create a procedure for a debtor to request that a claimant determine that a debt be deemed coerced as follows:
 - If a debtor provides written notice to the claimant including adequate documentation and a sworn certification that the debt is coerced when a claimant is seeking to collect a coerced debt, the claimant must cease collection activities until the claimant completes its review of the documentation.
 - Within 10 days of receipt of the notice claiming the debt is coerced debt, the claimant must notify any credit bureaus furnished with adverse reporting related to the debtor that the claim is disputed.

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- If in the review of the documentation, the claimant discovers a deficiency in the notice, then the claimant must give written notice to the debtor of the deficiency.
- The claimant must review any available information, and within 30 days of completing the review, provide the debtor a written decision along with the good faith basis for the decision as to whether the debt is coerced. The claimant cannot resume collection efforts unless the debtor has been notified in writing that the information does not establish that the debt is coerced.
- No inference or presumption can be made regarding the validity of the debt or the debtor's liability for the debt if the claimant decides to cease or recommence collection activities. The exercise or non-exercise of any rights for coerced debt is not a waiver of any other right or defense of the debtor or claimant.
- If the claimant does not recommence collection activity, within 10 days of making that determination, the claimant must notify any credit bureau to delete any adverse reporting related to the coerced debt from the debtor's report. If the claimant is a debt collector, it must notify the creditor of its decision to cease collection efforts within 10 days of making the decision.
- Create a new affirmative defense of coerced debt in an action against a debtor to satisfy a debt.
 - The affirmative defense of coerced debt must be pled with specificity and the debtor must attach adequate documentation and a sworn certification that the debt is coerced.
 - A debtor would be liable for a claimant's attorney's fees and costs in defending the lawsuit if a debtor knowingly files false motions, pleadings, or other papers with the court or engages in other tactics that are frivolous or intended to cause unnecessary delay.
- If the court determines that a debtor has established, by a preponderance of the evidence, that a debt is coerced:
 - Provide that the debtor is entitled to the following relief:
 - A declaratory judgment that the debtor is not obligated to the claimant for any portion of the debt determined to be coerced.
 - An injunction prohibiting the claimant from holding or attempting to hold the debtor personally liable or enforcing any judgment obtained against the debtor for the coerced debt.
 - An order dismissing any cause of action brought by the claimant to enforce or collect a coerced debt from the debtor, or to amend a complaint or judgment to reflect only the amount of a particular debt that is not coerced debt.
 - Require the court to issue a judgement in favor of a claimant against the person or persons who coerced the debtor into incurring the debt in the amount of the coerced debt, if the person or persons has been brought into the court's jurisdiction, were joined as a party to the act, and the evidence supports such judgment. To protect the debtor and their immediate family, the court may seal court documents, redact personally identifiable information of the debtor or their immediate family, and may require depositions or hearings to be held remotely.
- Provide that a claimant has standing to collect the coerced debt from (i) any person determined to have coerced the debtor to incurring the coerced debt and (ii) against a person, other than

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the debtor, who used or possessed money, goods, services, or property obtained through the coerced debt. The statute of limitations for a claimant to bring an action to collect a coerced debt would be five years.

The above provisions would not apply to secured debt held by the debtor, to debts which have been reduced to judgment or other court order, or to consumer finance companies licensed and doing business under Article 15 of Chapter 53 of the General Statutes. A claimant would also not be required to refund any money paid on a coerced debt.

EFFECTIVE DATE: Effective July 1, 2025, and would apply to debts incurred or actions filed on or after that date.