KNOW YOUR RIGHTS: NEGATIVE CREDIT RELIEF FOR VICTIMS OF HUMAN TRAFFICKING

WHAT IS IT?
The Debt Bondage Repair Act, passed as a part of the National Defense Authorization Act of 2022, prohibits Consumer Reporting Agencies ("CRA") from furnishing a consumer report containing any adverse item of information about a consumer that resulted from a severe form of trafficking in persons or sex trafficking. Traffickers control their victims through subtle or overt means, including financial control over victims’ income, access to money, or amount of debt. Specifically, traffickers often take out significant debt in their victims’ names or force victims to take out the loans themselves, resulting in default, judgements, and poor credit. If a victim can exit the life, this debt often follows them around in the form of defaults, judgements, and poor credit scores, impacting their ability to get safe and stable housing, employment, and even some professional licenses. This bill provides survivors with an opportunity to clear adverse credit information and take basic steps to obtain housing and employment and move towards greater financial stability and independence.

HOW DO I SUBMIT?
Step 1: Gather Documentation

- **Proof of Identity**
  - The CRA must block any adverse item in a consumer report on receipt of a submission while making a final determination.
  - The CRA is required to notify the consumer or their representatives if any additional information is needed or to resolve any deficiency. The CRA is ONLY allowed to request additional information where:
    - They cannot reasonably confirm the appropriate proof of identity;
    - The consumer did not provide proof of victimization; OR
    - The CRA cannot properly identify adverse items.
  - The CRA must make final determination no later than 25 business days after receipt of submission.
  - The CRA may decline to block or may rescind a block of adverse items ONLY:
    - If the CRA cannot reasonably confirm the appropriate proof of identity;
    - The consumer did not provide proof of victimization; OR
    - The CRA cannot properly identify adverse items.
  - The CRA’s notification must include:
    - A statement explaining their decision;
    - A consumer report provided at no cost to the consumer that is based upon revised file, if applicable; AND
    - The process for appealing a decision.

- **Victim Determination**
  - The CRA must block any adverse item in a consumer report on receipt of a submission while making a final determination.
  - The CRA is required to notify the consumer or their representatives if any additional information is needed or to resolve any deficiency. The CRA is ONLY allowed to request additional information where:
    - They cannot reasonably confirm the appropriate proof of identity;
    - The consumer did not provide proof of victimization; OR
    - The CRA cannot properly identify adverse items.
  - The CRA must make final determination no later than 25 business days after receipt of submission.
  - The CRA may decline to block or may rescind a block of adverse items ONLY:
    - If the CRA cannot reasonably confirm the appropriate proof of identity;
    - The consumer did not provide proof of victimization; OR
    - The CRA cannot properly identify adverse items.
  - The CRA’s notification must include:
    - A statement explaining their decision;
    - A consumer report provided at no cost to the consumer that is based upon revised file, if applicable; AND
    - The process for appealing a decision.

Step 2: Submit Online or via Mail
Each CRA will have information on their website on how to submit.

WHAT IS THE TIMELINE?
- Read the joint comment to the Consumer Financial Protection Bureau ("CFPB")
- Read the final CFPB rule
- Read Dr. Marian Hatcher’s blog on the DBRA

Additional Resources:
- Read the joint comment to the Consumer Financial Protection Bureau ("CFPB")
- Read the final CFPB rule
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Survivors of "severe forms of trafficking" as defined by 22 U.S.C. 7102 (11); and survivors of "sex trafficking" as defined by 22 U.S.C. 7102 (12) are eligible.