

# 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 loan 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.

**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.**

## HOW DO I SUBMIT?

### Step 1: Gather Documentation

#### ✓ Proof of Identity

Each CRA will have their own reasonable requirements specifying what information constitutes proof of I.D.

#### ✓ Victim Determination

Either:

1. Trafficking determination by Federal, State, or Tribal government entity;
2. Trafficking determination by non-governmental organization or human trafficking task force, including victim service providers, authorized by a Federal, State, or Tribal government entity to make such determination;
3. A trafficking determination made by a court of competent jurisdiction consisting of documents filed in a court where a central issue to the case is whether consumer is a victim of trafficking and the court has, at a minimum, affirmed the consumer's claim. (E.g., vacatur order, T-visa, etc.); OR
4. A signed statement by the consumer stating that they are a victim of trafficking if such statement is signed or certified by a representative of an entity described in 1 or 2.

#### ✓ Adverse Items of Information

1. Documentation, which may be prepared by any representative of the consumer EXCEPT a credit repair organization, that demonstrates which information should not be furnished by a CRA because the item(s) resulted from being victim of trafficking; AND
2. A preferred a method of contacting the consumer electronically or in writing.

### Step 2: Submit Online or via Mail

Each CRA will have information on their website on how to submit



## WHAT IS THE TIMELINE?

- The CRA must block any adverse item within four business days of receipt of 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.

Note: They are not making determinations of validity and may ONLY block/rescind after attempting to resolve deficiencies.

- 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.

### Additional Resources:

- 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

The information and links provided in this resource are solely for educational and informational purposes and do not constitute legal advice. Additionally, Shared Hope International cannot comment on, or confirm, an individual's victim status for purposes of accessing relief under the Debt Bondage Repair Act.

1. (1) the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery, or (2) sex trafficking in which a commercial sex act is induced by force, fraud, or coercion, or in which the person induced to perform such act has not attained 18 years of age.  
2. The recruitment, harboring, transportation, provision, obtaining, patronizing, or soliciting of a person for the purpose of a commercial sex act.