

Report by Donella Green, New York Women’s Bar Association Foundation Fellow at the Feerick Center

As a New York Women’s Bar Association Foundation Fellow at Fordham Law School during the 2010-2011 academic year, I was able to work with the Feerick Center for Social Justice. Andrea Vazquez, the second Fellow, and I worked specifically with the Domestic Violence and Consumer Law Project. The Center works with consumer law and domestic violence advocates and services providers on a range of efforts, including organizing training programs and conducting research. Andrea and I have been involved in a number of programs. We were able to organize and present at a program that focused on consumer credit reporting and domestic violence survivors. About 40 practitioners attended the event. Andrea and I were also able to conduct legal research regarding utilities law and special protections for domestic violence survivors. Through our work, we were able to explore and understand the importance of credit and utilities advocacy for domestic violence survivors.

In New York City, the credit crisis has drastically affected women and low-income communities. More particularly, the ramifications of damaged credit have been a setback to low-income women who are domestic violence survivors. The credit crisis proves to be yet another barrier in a domestic violence survivor’s attempt to flee from her abuser. This additional barrier makes it harder for domestic violence victims to keep from becoming homeless. “Nearly 50% of homeless women and children are homeless because of domestic violence.”¹

I. CREDIT

“[A] consumer’s credit report can have a huge impact on a consumer’s life.”² A bad credit report will deny a consumer access to a variety of essential services. Credit history determines access to and the cost of credit, loans, and even insurance.³ It has also become an important factor in employers’ hiring decisions⁴ and in landlords’ decisions to accept applications for apartments.⁵

A. What is a Credit Report?

A credit report “is a record of how a consumer has borrowed and repaid debts.”⁶ It contains personal information about the consumer. Credit reports typically include a consumer’s Social Security number, birth date, current and former addresses, and employers.⁷ The credit score is determined by information from the credit report. “A credit score is a number that is supposed to measure how likely you are to repay a loan.”⁸ Credit scores typically range between 300 and 850.⁹

The credit report also contains information about the consumer’s credit accounts. This

¹ Safe Horizon, Domestic Violence: The Facts, <http://www.safehorizon.org/index/what-we-do-2/domestic-violence--abuse-53/domestic-violence-the-facts-195.html> (last visited Oct. 5, 2011).

² NATIONAL CONSUMER LAW CENTER, AUTOMATED INJUSTICE: HOW A MECHANIZED DISPUTE SYSTEM FRUSTRATES CONSUMERS SEEKING TO FIX ERRORS IN THEIR CREDIT REPORTS 3 (2009) http://www.nclc.org/images/pdf/credit_reports/credit_reports_automated_injustice_report.pdf.

³ See, e.g., FEDERAL TRADE COMMISSION, CREDIT-BASED INSURANCE SCORES: ARE THEY FAIR? (2007) available at http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=110_house_hearings&docid=f:39902.pdf; NATIONAL CONSUMER LAW CENTER, FAIR CREDIT REPORTING 1 (6th ed. 2006).

⁴ See, e.g., NATIONAL CONSUMER LAW CENTER, *supra* note 3, at 69.

⁵ *Id.* at 68.

⁶ AUTOMATED INJUSTICE, *supra* note 2, at 4.

⁷ *Id.*

⁸ NEDAP, Credit Reports and Credit Scores, <http://nedap.org/hotline/creditmain.html> (last visited Oct. 5, 2011).

⁹ *Id.*

information typically includes the date the consumer opened the account; the type of the account; the status of the account; the monthly payment; whether the account is currently open or closed; the monthly maximum credit limit; the account activity; the current balance; and any amounts past due.¹⁰ This information is collected from “court records, banks, credit card companies, finance companies, department stores, cellular phone companies . . . , and many other companies issuing credit.”¹¹ There are three major credit reporting agencies: Experian, Equifax and TransUnion.

B. The Impact of Credit Reporting Errors

Despite the importance of credit reports, advocates have frequently criticized them because they often contain inaccurate information. “An on-line survey by Zogby Interactive found that 37% of consumers who ordered their credit report discovered an error, and 50% of those were not easily able to correct the error.”¹² Another survey found that 79% of credit reports contained a mistake of some kind.¹³

One common credit reporting error is the mixing of files. “Mixed or mismerged files occur when credit information relating to one consumer is placed in the file of another, thus creating a false description of both consumers’ credit histories.”¹⁴ “One study found that 44% of credit reporting complaints to the FTC involved mismerged files. Of these complaints, 64% had total strangers’ files mixed in, while 36% involved information belonging to relatives or former spouses.”¹⁵

C. Credit and Domestic Violence Survivors

A crucial factor in a domestic violence survivor’s ability to flee her abuser is her financial independence. “Many domestic violence survivors, in addition to facing physical and emotional concerns, face serious financial concerns after separating from an abuser.”¹⁶ “Managing credit and financial problems can be an overwhelming challenge for victims of domestic violence, especially if they have had little if any control over their finances in the past and are fleeing an abusive situation.”¹⁷ In situations where the survivor had little control over her finances, it is likely she was a victim of economic abuse.

Economic abuse occurs when “batterers control victims’ finances to prevent them from accessing resources, working or maintaining control of earnings, achieving self-sufficiency, and gaining financial independence.”¹⁸ Abusers often force their victims to obtain credit, then “ruin[] the victim’s credit rating or future ability to obtain credit.”¹⁹

¹⁰ See AUTOMATED INJUSTICE, *supra* note 2, at 4.

¹¹ MyFaircredit.com, Correcting Your Credit, <http://www.myfaircredit.com/s/correcting-your-credit> (last visited Oct. 5, 2011).

¹² AUTOMATED INJUSTICE, *supra* note 2, at 5, citing ZOGBY INTERACTIVE, *Most Americans Fear Identity Theft*, Zogby’s American Consumer, Apr. 2007, at 3.

¹³ ALISON CASSIDY & EDMUND MIERZWINSKI, U.S. PIRG, MISTAKES DO HAPPEN: A LOOK AT ERRORS IN CONSUMER CREDIT REPORTS 13 (June 2004) available at <http://cdn.publicinterestnetwork.org/assets/BEevuv19a3KzsATRbZMZlw/MistakesDoHappen2004.pdf>.

¹⁴ *Id.*

¹⁵ *Id.*

¹⁶ NACA, Consumer Rights for Domestic Violence Survivors, <http://www.naca.net/issues/domestic-violence> (last visited Oct. 5, 2011).

¹⁷ *Id.*

¹⁸ NATIONAL COALITION AGAINST DOMESTIC VIOLENCE, ECONOMIC ABUSE 1 (n.d.), http://www.uncfsp.org/projects/userfiles/File/DCE-STOP_NOW/NCADV_Economic_Abuse_Fact_Sheet.pdf

¹⁹ *Id.*

II. UTILITIES

Domestic violence survivors sometimes face obstacles to obtaining and maintaining access to critical utility services, such as gas, electricity, and telephone. Survivors need these essential services when establishing households independent of their abusers. Utilities arrears often prove to be a barrier in a domestic violence victim's attempt to escape her abuser. However, utilities law is complex and New York State's only legal service organization dedicated to utilities law no longer operates. As a result, the number of resources in this area is in short supply.

"Utilities are necessary for individuals, but getting set up and kept current can be particularly difficult for domestic violence survivors."²⁰ For example, "[t]he utility company may try to hold a survivor responsible for delinquent utility bills on an account managed by the abuser."²¹ Currently, in New York, there are no special provisions in utilities law for domestic violence survivors.²²

III. CONCLUSION

My experience with the Feerick Center exposed me to important areas of law. It also exposed me to a number of issues that plague communities that I'll serve as a public defender. During the fellowship, I joined the board of Fordham Law School's Consumer Law Advocates in order to continue my work with consumer law issues and CLARO.

²⁰ *Consumer Rights for Domestic Violence Survivors*, *supra* note 15.

²¹ *Id.*

²² The Public Service Law was recently amended to include a specific protection for domestic violence survivors with regard to telephone service. Every telephone corporation must allow a survivor of domestic violence to either use a modified or alternate name for their telephone directory listing or waive the fee for an unlisted telephone number. N.Y. Pub. Serv. Law § 91(7) (2011). To qualify, the survivor must provide the telephone company with any order of protection, other than a temporary order. *Id.* The fee waiver will apply for the duration of the order of protection. *Id.*