

[Comment Tracking Number - lit-b58a-pwz6](#)

Rohit Chopra, Director
Consumer Financial Protection Bureau
1700 G St NW
Washington, DC 20552

June 12, 2023

Re: Request for Rulemaking Pursuant to the Fair Credit Reporting Act (FCRA), document ID CFPB-2023-0027-0001

Dear Director Chopra:

We write in support of Community Catalyst's request for rulemaking to prohibit the appearance of all medical debt on consumer credit reports, doc ID CFPB-2023-0027-000.

U.S. PIRG is an advocate for the public interest with PIRG affiliates in two dozen states. We promote policies that protect consumers and support the delivery of the high value healthcare we deserve. We appreciate the significant attention that the Consumer Financial Protection Bureau (CFPB) has given to the issue of medical debt. PIRG values the agency's work to protect consumers from unfair and predatory credit practices. This proposed rulemaking is within the agency's power and authority. And we urge you to take swift action to begin the process.

We applaud the Consumer Financial Protection Bureau (CFPB) 2022 [report](#) that exposed the widespread problem of medical debt for American families: \$88 billion in medical bills were included in credit reports. Your report indicated about 20% of American households say they have medical debt. As of the second quarter of 2021, 58% of bills in collections and on credit reports were medical bills. As you are aware, these debts, even when paid, may remain on credit reports for [seven years](#), making it less likely for affected individuals to get loans, buy a home, or in some cases, to even get a job. Debt in general has an [added negative impact](#) on individuals' long-term health.

Your report triggered action by the three major credit bureaus (Equifax, Experian and TransUnion) who pledged to [change how they will treat the reporting of medical debt](#).

1. Paid medical debt will no longer appear on credit reports.
2. Owed medical debt under \$500 will not be included in credit reports either.

3. No medical debt will appear on credit reports until one year after the debt is incurred to give insurers and patients time to work out billing/coverage disputes.

This voluntary policy adopted by some credit reporting bureaus will provide welcome relief to many. But it is only a start. Rules are still needed: these initiatives are only *voluntary*, they don't address *all* medical debt, and these initiatives may not be embraced by other credit reporting agencies.

We have known for years that medical debt doesn't predict credit defaults, nor does it accurately predict a person's desire and willingness to pay off loans. In fact, CFPB's own [research](#) showed that medical billing data on a credit report is ["less predictive of future repayment than reporting on traditional credit obligations."](#)

Please initiate rulemaking to prohibit the appearance of all medical debt on consumer credit reports. Under Section 621(e) of FCRA the CFPB is authorized to "prescribe regulations as may be necessary or appropriate to administer and carry out the purposes of the FCRA." Confusing bills, errors in coding, and unsubstantiated claim denials are just some of the reasons people fighting medical bills suddenly find themselves dealing with collections agencies. We need a fair credit system that doesn't penalize people for life events they can't control like getting sick.

Sincerely,



Patricia Kelmar, JD
Senior Director, Health Care Campaigns
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