



August 12, 2024

Via [Regulations.gov](https://www.regulations.gov)

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

Re: Prohibition on Creditors and Consumer Reporting Agencies Concerning Medical Information (Regulation V), Docket No. CFPB–2024–0023/RIN 3170–AA54.

Dear Director Chopra:

Georgia Watch and the 18 undersigned organizations and advocates submit these comments in response to the Consumer Financial Protection Bureau's [Notice of Proposed Rulemaking](#) (NPRM) addressing medical debt on credit reports. We strongly support the proposed rule, which will benefit the more than 100,000 Georgians unfairly burdened by medical debt, which disproportionately affects Black and Latino communities.

Georgia Watch is a consumer advocacy organization with a long history of advocating in the financial protection and healthcare access space. Our team works to ensure barriers to quality, affordable healthcare are removed for all Georgians. Through our consumer helpline, we often hear stories of individuals struggling to maneuver the complexities of the healthcare system, particularly when it comes to billing and debt. According to the Kaiser Family Foundation, over 100,000 Georgians have more than \$120 million in medical debt.

As an organization dedicated to protecting and informing consumers, we thank the Consumer Financial Protection Bureau (CFPB) for its tireless efforts to ensure transparency and fairness in the healthcare marketplace. Too many Georgians struggle to access quality healthcare they can afford. We encourage policies that put an end to a healthcare system dominated by corporate interests that puts profit over people, deepening inequity across our state.

We urge the CFPB to further protect vulnerable patients from the harms of medical debt, through actions that:

- extend the credit reporting ban to negative information about lending products used to pay for medical debts, especially medical credit cards;



- address other common abuses with medical lending products, such as prohibiting deferred interest on credit cards, prohibiting issuance of medical credit cards or loans to consumers whose insurance covers a procedure or they qualify for financial assistance, and prohibiting services from being charged to a credit card before they are rendered; and
- extend the medical debt ban to credit reports used for employment and tenant screening.

1. We support the CFPB's proposed rule, which will protect millions of vulnerable consumers.

We support the CFPB's proposed rule to prohibit medical debts from appearing on credit reports used for credit underwriting. The appearance of medical debt on credit reports can be one of the worst financial consequences of getting sick in the US, especially with catastrophic or chronic conditions. With rising healthcare costs and the overall cost of living in Georgia medical debt can cause an unfair burden on individuals seeking home ownership or access to the financial mainstream. Patients often mention credit reporting damage or fear of it as a major financial consequence of their illness and a deterrent to seeking care in the first place.

The CFPB's proposed rule is necessary to protect consumers who still have medical debt on their credit reports after the voluntary changes by the credit bureaus removing medical debts that are paid or under \$500. These voluntary changes were positive, but still leave unpaid medical debts of over \$500 on the credit reports of [1.5 million consumers](#). In 2023, [20% of communities of color](#) had medical debt in collections as compared with only 16% of white communities. These consumers are likely to be the most vulnerable – those who have greater medical needs and thus higher healthcare costs, who are unable to pay bills out of pocket. Moreover, as the CFPB's [July 2022](#) and [April 2024](#) reports have found, Black and Latino consumers were more likely to have medical debts remaining after the voluntary changes. Finally, the voluntary changes by the credit bureaus are just that – they are voluntary, which means the credit bureaus could reverse them at any time with little or no notice.

2. Extend the credit reporting ban to medical debt incurred using medical lending products and general-purpose credit cards

We urge the CFPB to include in the scope of the proposed rule negative information from: (1) debt on medical lending products, such as the CareCredit card, and (2) medical debt on general-purpose credit cards. Negative information regarding those debts is just as harmful as medical debt collection items on credit reports. This information should not be reported for the



same reasons that medical debt generally shouldn't be on credit reports – these debts are incurred for expenses that are involuntary and unexpected, and for which there is little ability for the consumer to negotiate prices or shop around.

3. Address common abuses with medical payment products in addition to credit reporting

Medical credit cards often come with high interest rates and hidden fees, which can swiftly escalate the overall cost of medical procedures and services. Moreover, the complex terms and conditions of these cards can be misleading, leaving consumers vulnerable to accumulating debt they may struggle to repay and potentially impacting their credit scores. While medical credit cards can offer financial relief in times of medical need, they also demand careful consideration and informed decision-making to avoid the potentially detrimental consequences of excessive debt and financial strain.

Consumers in Georgia have filed numerous [complaints with the CFPB](#) expressing that interest rates attached to these products are so high that it makes it difficult to move the needle on the actual debt owed. Georgians also share that when applying for medical credit cards, such as CareCredit, hidden promotions result in exponential increases in interest after the promotional period.

We appreciate that the CFPB has opened [an inquiry](#) into medical payment products. Since these are clearly lending products, the CFPB has broad authority to regulate them, including under numerous federal statutes. We urge the CFPB to do so, including by banning deferred interest on credit cards, prohibiting issuance of medical credit cards or loans to consumers whose insurance covers a procedure or who qualify for financial assistance, and prohibiting services from being charged to a credit card before they are rendered.

4. Extend the credit reporting ban to credit reports used for employment and tenant screening

If medical debt is not a good predictor of creditworthiness, it is even less likely to be predictive of whether someone will be a good tenant or worker. As with credit, medical debt should simply not be used for either of these purposes. The fact that someone got sick should never be used to keep a consumer from getting a job or roof over their heads.

We urge the CFPB to prohibit the inclusion of medical debts on credit reports used for tenant screening or employment using its authority under either the FCRA or its general authority to ban unfair, deceptive, or abusive acts and practices. Another option for tenant screening is for the CFPB to address tenant screening by defining rental housing leases as "credit" under the



Equal Credit Opportunity Act, at least for this limited purpose. At a minimum for employment uses, the CFPB should urge the Equal Employment Opportunity Commission to state that the use of medical debt in employment decisions violates Title VII and the ADA.

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Thank you for your efforts to protect consumers from the harmful impacts of medical debt on credit reports. We strongly support the CFPB's proposal. We urge you to go further and protect consumers from harmful credit reporting and other practices by lending products used to pay medical debt. We also urge you to ban medical debt in reports used for tenant screening and employment.

Sincerely,

A handwritten signature in black ink that reads "Elizabeth B. Coyle".

Elizabeth B. Coyle
Executive Director

Respectfully submitted on behalf of the following organizations and individuals:

Alliance 85, Inc.
Atlanta Regional Collaborative for Health Improvement
Capital Good Fund
Georgia Advancing Communities Together, Inc.
Georgia Equality
Georgia Watch
GreenLight Fund Atlanta
Healthy and Free Tennessee
Neighborhood Improvement Association
On the Rise Community Development Inc.
Partnership for Southern Equity
People-to-People Enterprises
Refugee Women's Network
SOWEGA Rising
Dr. Bambie Hayes Brown
Cookie Noel – Social Worker
Tzedek DC
Portia Jones
Kendra Jeffreys, Friends of Refugees