

March 12, 2025

The Honorable Mike Rounds
United States Senate
Washington, DC 20510

The Honorable Ralph Norman
United States House of Representatives
Washington, DC 20515

Dear Senator Rounds and Congressman Norman:

We, the undersigned organizations, write to express our strong support to disapprove the Consumer Financial Protection Bureau's (CFPB) rule on medical debt by employing the Congressional Review Act (CRA). Medical debt is a serious concern for many Americans, but the CFPB's rule will do nothing to address a complex healthcare system or eliminate the debt. Instead, it will harm the very individuals it aims to help.

As representatives of the healthcare and financial services sectors, we believe that the rule will have unintended consequences that could undermine access to credit and essential healthcare services. The rule, which prohibits consumer reporting agencies from including information about medical debt on credit reports and prohibit creditors from considering the information when making a credit decision, will undermine credit markets and limit access to affordable care especially in rural communities. The rule is also blatantly illegal, as it directly contradicts the carefully crafted statutory framework that Congress enacted as part of the Fair Credit Reporting Act.¹

The rule would create new financial strain for medical providers by reducing incentives for consumers to make payment. One economist projected that the loss in the first year for medical providers is estimated to be \$24 billion.² According to another study, "68% of net revenues [of medical providers] are uncompensated for," and unless "hospitals and healthcare providers can recoup a larger portion of uncompensated revenues, their ability to invest in equipment, provide necessary services and maintain rural facilities may be severely impaired."³

The rule would undermine the risk-based pricing system that has been demonstrated to expand access to credit for all borrowers.⁴ The risk-based pricing system is based on a lender, such as a bank or credit union, having access to information (such as existing debts, repayment history) that informs if a borrower is likely to repay a loan. Information about

¹ The complaint filed by the Consumer Data Industry Association and Cornerstone Credit Union League challenging the rule explains these issues in much greater detail. *Cornerstone Credit Union League et al. v. Consumer Financial Protection Bureau*, 4:25-cv-00016 (E.D. Tex, Jan 7, 2025).

² <https://policymakers.acainternational.org/wp-content/uploads/2024/07/AndrewNigrinisEconomicAnalysis-CFPB-FCRA-NPRM-July2024.pdf>

³ https://businessforimpact.georgetown.edu/wp-content/uploads/2023/11/2023-Annual-Medical-Debt-Report_Digital_103023.pdf

⁴ <https://www.uschamber.com/finance/supporting-and-strengthening-risk-based-pricing-benefit-all-us-consumers>

medical debt would not be made available to banks and credit unions offering mortgages and automotive loans – meaning they may offer loans to people who cannot afford them and requiring them to raise rates on all borrowers to cover the losses.

The CFPB pushed through a midnight rule without considering data and jurisdictional limits. By utilizing the CRA to disapprove the rule, you would ensure that future regulatory decisions by the CFPB respect the views of Congress and are made with careful consideration of their broader economic and societal impacts. Importantly, the CFPB should not be able to promulgate a rule in the future prohibiting information from being included on a credit report.

Thank you for your dedication to addressing this critical issue. Should you need any additional information or wish to discuss this further, please do not hesitate to reach out. We look forward to your continued leadership in safeguarding the interests of American families and businesses.

Sincerely,

ACA International
American Association of Healthcare Administrative Management
American Bankers Association
American Dental Association
American Financial Services Association
Consumer Data Industry Association
Electronic Transaction Association
Healthcare Business Management Association
Healthcare Financial Management Association
Innovative Lending Platform Association
Online Lenders Alliance
Receivables Management Association International
U.S. Chamber of Commerce