

# Industry Attacks Against CFPB's Latest Effort To Defend Consumers From Medical Debt Is Another Reason Why Agency Is Needed

**Summary:** On September 21, 2023, The White House announced the Consumer Financial Protection Bureau (CFPB) "[ha\[d\] begun looking into removing medical debt from consumer credit reports in an effort to lessen the impact unexpected medical costs can have on people and help them recover from the expenses.](#)"

In February 2023, The White House cited that the CFPB found "[the number of Americans with medical debt on their credit reports fell by 8.2 million from the first quarter of 2020 to the first quarter of 2022](#)" thanks to the administration's efforts to increase the number of insured Americans and highlight inaccurate credit reporting. Following the most recent announcement, the [CFPB was attacked by ACA International](#), the largest trade group representing debt collectors. ACA accused the CFPB of being "[politically driven](#)" in an effort to "[arbitrarily](#)" pick winners and losers.

With the CFPB's latest efforts to crack down on the debt collection and credit reporting agencies, especially after the watchdog warned about the high-cost financial products often pushed on to patients [with interest rates often exceeding 25%](#), a review by Accountable.US has found that [ACA International has spent over \\$2 million](#) during the COVID-19 pandemic lobbying against efforts to address medical debt collections and credit reporting that are entrapping millions of Americans into financial turmoil and impacting their ability to improve their credit scores and access credit products and medical care.

**Since The Beginning Of The Biden Administration, The Consumer Financial Protection Bureau (CFPB) Has Prioritized The Issue Of Medical Debt Impacting Access To Credit For Millions Of Americas, Announcing September 2023 Rulemaking Seeking To "Lessen The Impact Unexpected Medical Costs Have On People," Which Has Already Led To Attacks From The Collection Industry Claiming The Move Was "Politically Driven" And "Arbitrarily Picking Winners And Losers."**

**On September 21, 2023, The Biden-Harris Administration Announced The Consumer Financial Protection Bureau (CFPB) Began Rulemaking Seeking To "Remov[e] Medical Debt From Consumer Credit Reports In An Effort To Lessen The Impact Unexpected Medical Costs Can Have On People."**

**September 21, 2023: The Biden-Harris Administration Announced The Consumer Financial Protection Bureau Had Started Rulemaking To "Remov[e] Medical Debt From Consumer Credit Reports In An Effort To Lessen The Impact Unexpected Medical Costs Can Have On People."** "The Biden-Harris administration announced Thursday it has begun looking into removing medical debt from consumer credit reports in an effort to lessen the impact unexpected medical costs can have on people and help them recover from the expenses, which can be immense. In a press release, the Consumer Financial Protection Bureau (CFPB) said the proposal would help to 'stop debt collectors from coercing people into paying bills they may not even owe, and ensure that creditors are not relying on data that is often plagued with inaccuracies and mistakes.'" [The Hill, [09/21/23](#)]

- **Under The CFPB's Proposal, "Consumer Reporting Companies Would Be Blocked From Using Medical Debts And Collection Information On Consumer Reports," While Debt Collectors Would**

**Be Barred From Using “Coercive Collection Practices” To Collect On Medical Debts.** “Under the proposal, consumer reporting companies would be blocked from using medical debts and collection information on consumer reports. Creditors would also be barred from using medical debt for underwriting decisions and debt collectors would no longer be able to use what the CFPB referred to as ‘coercive collection practice.’” [The Hill, [09/21/23](#)]

## **In February 2023, The White House Touted The CFPB's Efforts To Remove The Medical Debt Of 8.2 Million Americans From Their Credit Reports, Which Will Allow Americans To Repair Their Credit Scores, Resulting In Better Access To Credit And Health Services.**

**February 2023: The CFPB Released Data Showing "The Number Of Americans With Medical Debt On Their Credit Reports Fell By 8.2 Million From The First Quarter Of 2020 To The First Quarter Of 2022."**

"Today, the Consumer Financial Protection Bureau (CFPB) released a new report that shows that the number of Americans with medical debt on their credit reports fell by 8.2 million from the first quarter of 2020 to the first quarter of 2022. Today's report is consistent with a recent report from the Centers for Disease Control and Prevention (CDC) that found that the number of Americans who are part of families having trouble paying their medical bills declined by 5.5 million between 2020 and 2021." [The White House, [02/14/23](#)]

**"One Driver Of These Declines Is The Significant Increase In Number Of Insured Americans," And The "Continued Actions By The CFPB To Highlight Problems With Inaccurate Reporting Of Debt In Collections."** "One driver of these declines is the significant increase in the number of insured Americans over this period, a result of the President's strategy of protecting and strengthening the Affordable Care Act (ACA) and lowering health care costs. The decline also reflects continued actions by the CFPB to highlight problems with inaccurate reporting of debt in collections and put the industry on notice to correct their behavior." [The White House, [02/14/23](#)]

**The White House Touted The Benefits Reducing Medical Debt Will Have For Americans, Including "Improving Credit Scores And Access To Credit," And Also Improving Access To Medical And Mental Health Services.** "These reductions in medical debt will provide real benefits to many Americans. Reducing medical debt directly impacts household finances by improving credit scores and access to credit. And research shows that households that have their medical debt relieved see improvements in access to medical care, and in physical and mental health outcomes. Since medical debt is disproportionately held among low-income communities, reductions in the burden of medical debt helps advance financial and health equity." [The White House, [02/14/23](#)]

## **Following The CFPB's September 2023 Rulemaking Seeking To Remove Medical Debt From Consumers' Credit Scores, ACA International—The Largest Trade Organization Representing The Credit And Debt Collection Industry—Said The CFPB Did Not Have Legal Authority, Calling It "A Politically Driven Agency" That "Should Not Be Arbitrarily Picking Winners And Losers."**

**September 2023: ACA International Released A Statement Opposing The CFPB's Rulemaking On Medical Debt Reporting And Debt Collection Practices, Claiming It "Would Alter The U.S. Credit-Based Economy As It Is Today In Terms Of Consequences For Not Paying Your Bills."** "ACA International ('ACA') has responded to the Consumer Financial Protection Bureau ('CFPB') latest rulemaking, which focuses on the Fair Credit Reporting Act, medical debt, and data brokers, with the following statement from CEO Scott Purcell: The CFPB released a sweeping, complex and comprehensive Small Business Regulatory Enforcement Act outline related to the Fair Credit Reporting Act this week, which fundamentally would alter the U.S. credit-based economy as it is today in terms of consequences for not paying your bills." [ACA International, [09/21/23](#)]

- **ACA International Is The Largest Trade Group Representing The Credit And Debt Collection Industry, Including “Third-Party Collection Agencies, Law Firms, Asset Buying Companies, Creditors And Vendor Affiliates.”** "ACA International (ACA), the association of credit and collection professionals, is the largest membership organization in the credit and collection industry. Founded in 1939, ACA brings together third-party collection agencies, law firms, asset buying companies, creditors and vendor affiliates, representing tens of thousands of industry professionals." [ACA International, [09/21/23](#)]
- **The Rulemaking Announced By The CFPB Sought To Remove Medical Debt From Americans' Consumer Reports, Saying It "Would Help Families Financially Recover From Medical Crises, Stop Debt Collectors From Coercing People Into Paying Bills They May Not Even Owe, And Ensure Creditors Are Not Relying On Data That Is Often Plagued With Inaccuracies And Mistakes."** "The Consumer Financial Protection Bureau (CFPB) today announced it is beginning a rulemaking process to remove medical bills from Americans' credit reports. The CFPB outlined proposals under consideration that would help families financially recover from medical crises, stop debt collectors from coercing people into paying bills they may not even owe, and ensure that creditors are not relying on data that is often plagued with inaccuracies and mistakes." [Consumer Financial Protection Bureau, [09/21/23](#)]

**ACA Said It, "Does Not Believe The CFPB Should Take Any Actions Related To Limiting Options For Health Care Providers," Claiming The Agency Does Not Have The Legal Authority To Take These Actions.** "As an overarching matter, ACA does not believe the CFPB should take any actions related to limiting options for health care providers without robust and data-driven research proving that they will not harm the ability to access medical services or the ability to offer and be compensated for medical care provided. It is also far from clear that the CFPB has the legal authority to take the actions it proposes in its SBREFA outline discussed today related to credit reporting." [ACA International, [09/21/23](#)]

**The ACA Added: "Congress Can Make Major Changes To The U.S. Medical System If, Through Their Elected Officials, Consumers Ask Them To Do So. However, A Politically Driven Agency Should Not Be Arbitrarily Picking Winners And Losers In The Marketplace And Discriminating Against Certain Professions Such As Health Care Providers."** "Congress can make major changes to the U.S. medical system if, through their elected officials, consumers ask them to do so. However, a politically driven agency should not be arbitrarily picking winners and losers in the marketplace and discriminating against certain professions such as health care providers." [ACA International, [09/21/23](#)]

**In May 2023, The CFPB Released A Report On The High-Cost Financial Products Pushed On To Patients As A Way To "Alleviate The Financial Stress That Comes With Medical Bills," With The CFPB Launching An Inquiry Alongside The Departments Of Treasury and Health and Human Services In July 2023 On How These Products, Which Can Have Interest Rates Exceeding 25%, Can Increase The Likelihood Of Patients Filing For Bankruptcy.**

**May 2023: The CFPB Released A Report On High-Cost Financial Products Offered To Patients In Order To "Alleviate The Growing Costs Of Medical Care," Finding These Financial Products Are Often More Expensive Than Conventional Credit Cards With Interest Rates Often Exceeding 25%.** "Today, the Consumer Financial Protection Bureau (CFPB) published a report on high-cost specialty financial products, such as medical credit cards, that are sold to patients as a way to alleviate the growing costs of medical care. Patients are typically offered these products in a medical provider's office even when their insurance may cover the procedure or they qualify for a hospital's reduced or no-cost financial assistance program. The report finds that these specialty products are typically more expensive for patients than other forms of payment, including conventional credit cards, with interest rates often reaching above 25%." [Consumer Financial Protection Bureau, [05/04/23](#)]

- **Ultimately These Products Also Add To The "Financial Stress That Comes With Medical Bills" And Can Increase The Chances Of Patients Filing For Bankruptcy.** "These products can add, instead of remove, the financial stress that comes with medical bills, including decreased access to credit, costly and lengthy collection litigation, and an increased likelihood of bankruptcy." [Consumer Financial Protection Bureau, [05/04/23](#)]

**On July 7, 2023, The CFPB, Department Of Health And Human Services And Department Of Treasury "Launched An Inquiry Into High-Cost Specialty Financial Products, Such As Medical Credit Cards And Installment Loans, That Are Pushed On Patients As A Way To Pay For Routine Medical Care And Which Drive Up Health Care Costs And Medical Debt."** "Today, the Consumer Financial Protection Bureau (CFPB), U.S. Department of Health and Human Services (HHS), and U.S. Department of Treasury (Treasury) launched an inquiry into high-cost specialty financial products, such as medical credit cards and installment loans, that are pushed on patients as a way to pay for routine medical care and which drive up health care costs and medical debt." [Consumer Financial Protection Bureau, [07/07/23](#)]

- **CFPB Director Rohit Chopra Said, "'Financial Firms Are Partnering With Health Care Players To Push Products That Can Drive Patients Deep Into Debt,'" And The Agencies Were Opening A Public Inquiry To Better Understand How These Practices Hurt Patients.** "Financial firms are partnering with health care players to push products that can drive patients deep into debt,' said CFPB Director Rohit Chopra. 'We are opening a public inquiry to better understand how these practices are affecting patients in our country.'" [Consumer Financial Protection Bureau, [07/07/23](#)]

**The COVID-19 Pandemic Caused Financial Harm For Many Of Those Who Suffered From It, With A May 2023 University Of Michigan And John Hopkins Report Finding 27% Of Patients Who Required Hospitalization Due To COVID-19 Had Medical Debt Sent To Collection Agencies, With 42% Seeing Hits To Their Credit Scores.**

**A May 2023 Report From The University Of Michigan And John Hopkins Found 27% Of Patients Who Required Hospitalization Due To COVID-19 Had Medical Debt Sent To Collection Agencies, With 42% Seeing Hits To Their Credit Scores.**

**May 2023: A Report From The University Of Michigan And John Hopkins University Found That COVID Hospitalizations Had Led To More Americans Struggling With Medical Debt.** "A new study links surviving COVID to financial challenges later, especially for folks who were hospitalized with the virus. 'More than half of Americans now report having had COVID-19, and more than 450,000 have been hospitalized, so the potential number experiencing serious financial issues linked to their experience with the virus is high,' said Dr. Nora Becker of the University of Michigan Institute for Healthcare Policy and Innovation, in Ann Arbor." [U.S. News, [05/01/23](#)]

**Researchers Found 42% Of Patients Who Were Hospitalized For COVID-19 Had A Lower Credit Score Six Months After, Compared To 34% Of Those Who Didn't Initially Require Hospitalization, But Later Did.** "To learn more, researchers from University of Michigan and Johns Hopkins University in Baltimore linked health care records and financial records of more than 132,000 people in Michigan. Patients' identification was removed. About 42% of patients who had been hospitalized with COVID-19 had a low credit score six months later, the study found. That compared to 34% of a similar group who hadn't yet required a hospital stay for COVID-19 but later needed one." [U.S. News, [05/01/23](#)]

**A Staggering 27% Of Patients Who Required Hospitalization Also Had Medical Debt Sent To Collection Agencies Compared To 19% Of The Comparison Group With Delayed Hospitalizations.** "About 27% of the patients who had been hospitalized for COVID-19 later had medical debt sent to collection agencies

compared with 19% of the comparison group. Researchers again found a small but significant gap for non-hospitalized patients." [U.S. News, [05/01/23](#)]

**ACA International Has Spent Over \$2 Million Since The Start Of The COVID-19 Pandemic Lobbying Against Efforts To Address Medical Debt Collections And Credit Reporting.**

**ACA International, “The Largest Trade Group Representing The Credit And Debt Collection Industry,” Has Spent Over \$2 Million Since The Start Of The COVID-19 Pandemic Lobbying Against Efforts To Address Medical Debt Collections And Credit Reporting.**

**ACA International Is The Largest Trade Group Representing The Credit And Debt Collection Industry.** "ACA International (ACA), the association of credit and collection professionals, is the largest membership organization in the credit and collection industry." [ACA International, [09/21/23](#)]

**Since The Start Of The COVID-19 Pandemic In March 2020, ACA International Has Spent \$2,045,000 While Lobbying Against Efforts To Defend Consumers Against Medical Debt Collections, Including Legislation Requiring Written Notice To Consumers On Restrictions Around Medical Debt Collections And The Imposition Of A 2-Year Waiting Period For The Collection Of Certain Medical Debts:**

| Registrant                        | Client            | Report                  | Filing Year | Relevant Lobbying Issue   | Amount    |
|-----------------------------------|-------------------|-------------------------|-------------|---|-----------|
| <a href="#">ACA International</a> | ACA International | 2nd Quarter Report      | 2023        | H.R.1773 Consumer Protection for Medical Debt Collections Act; Issues related to credit reporting   | \$190,000 |
| <a href="#">ACA International</a> | ACA International | 3rd Quarter - Amendment | 2022        | Issue related to Medical Debt; H.R. 773- The Medical Debt Relief Act of 2021; H.R.2537- Consumer Protection for Medical Debt Collections Act; S. 214 - Medical Debt Relief Act; S.355 - COVID-19 Medical Debt Collection Relief Act | \$275,000 |
| <a href="#">ACA International</a> | ACA International | 4th Quarter - Report    | 2022        | Issue related to Medical Debt; H.R. 773- The Medical Debt Relief Act of 2021; H.R.2537- Consumer Protection for Medical Debt Collections Act; S. 214 - Medical Debt Relief Act; S.355 - COVID-19 Medical Debt Collection Relief Act | \$230,000 |
| <a href="#">ACA International</a> | ACA International | 2nd Quarter - Report    | 2022        | Issue related to Medical Debt; H.R. 773- The Medical Debt Relief Act of 2021; H.R.2537- Consumer Protection for Medical Debt Collections Act; S. 214 - Medical Debt Relief Act; S.355 - COVID-19 Medical Debt Collection Relief Act | \$180,000 |

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|-----------------------------------|--------------------------|----------------------|------|---|-----------|
| <a href="#">ACA International</a> | <b>ACA International</b> | 1st Quarter - Report | 2022 | Issue related to Medical Debt; H.R. 773- The Medical Debt Relief Act of 2021; H.R.2537- Consumer Protection for Medical Debt Collections Act; S. 214 - Medical Debt Relief Act; S.355 - COVID-19 Medical Debt Collection Relief Act   | \$180,000 |
| <a href="#">ACA International</a> | <b>ACA International</b> | 4th Quarter - Report | 2021 | S. 214 - Medical Debt Relief Act - legislation that would remove paid-off or settled medical debt from a patients credit report and institute a year-long waiting period before new medical debt can be reported.;<br>S.355 - COVID-19 Medical Debt Collection Relief Act, legislation to prevent healthcare providers from taking drastic steps to collect medical debts from patients - including seizing bank accounts and garnishing wages during the COVID-19 pandemic | \$170,000 |
| <a href="#">ACA International</a> | <b>ACA International</b> | 3rd Quarter - Report | 2021 | Issue related to Medical Debt; H.R. 773- The Medical Debt Relief Act of 2021; H.R.2537- Consumer Protection for Medical Debt Collections Act; S. 214 - Medical Debt Relief Act; S.355 - COVID-19 Medical Debt Collection Relief Act   | \$200,000 |
| <a href="#">ACA International</a> | <b>ACA International</b> | 4th Quarter - Report | 2020 | Issues related to medical debt; H.R. 5330 - Consumer Protections for Medical Debt Collections Act - To amend the FDCPA and FCRA to require a debt collector and furnishers to CRAs to provide written notices to consumers about restrictions on reporting medical debt, to refrain from reporting medical debt for over 1 year and to never report certain medical debt, and imposing a 2-year waiting period to collect certain medical debt.                             | \$150,000 |
| <a href="#">ACA International</a> | <b>ACA International</b> | 2nd Quarter - Report | 2020 | Issues related to medical debt; H.R. 5330 - Consumer Protections for Medical Debt Collections Act - To amend the FDCPA and FCRA to require a debt collector and furnishers to CRAs to provide written notices to consumers about restrictions on reporting medical debt, to refrain from reporting medical debt for over 1 year and to never report certain medical debt, and imposing a 2-year waiting period to collect certain medical debt.                             | \$150,000 |
| <a href="#">ACA International</a> | <b>ACA International</b> | 3rd Quarter - Report | 2020 | Issues related to medical debt; H.R. 5330 - Consumer Protections for Medical Debt Collections Act - To amend the FDCPA and FCRA to require a debt collector and furnishers to CRAs to provide written   | \$140,000 |

|                                   |                          |                      |      |   |                    |
|-----------------------------------|--------------------------|----------------------|------|---|--------------------|
|                                   |                          |                      |      | notices to consumers about restrictions on reporting medical debt, to refrain from reporting medical debt for over 1 year and to never report certain medical debt, and imposing a 2-year waiting period to collect certain medical debt.   |                    |
| <a href="#">ACA International</a> | <b>ACA International</b> | 1st Quarter - Report | 2020 | Issues related to medical debt; H.R. 5330 - Consumer Protections for Medical Debt Collections Act - To amend the FDCPA and FCRA to require a debt collector and furnishers to CRAs to provide written notices to consumers about restrictions on reporting medical debt, to refrain from reporting medical debt for over 1 year and to never report certain medical debt, and imposing a 2-year waiting period to collect certain medical debt. | \$180,000          |
| <b>TOTAL:</b>                     |                          |                      |      |   | <b>\$2,045,000</b> |