



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

July 16th, 2024

**Re: Comments on Proposal to Ban Medical Bills from Credit Reports Docket No.
CFPB-2024-0023; RIN 3170-AA54,**

Dear Director Chopra,

On behalf of Economic Action Maryland, formerly the Maryland Consumer Rights Coalition, and the undersigned organizations, I am writing to express strong support for the proposed ruling to prohibit medical bills from appearing on credit reports as well as to provide recommendations on ways this ruling could be strengthened to enhance its scope and efficacy.

Economic Action Maryland is a people-centered movement to expand economic rights, housing justice, and community reinvestment for working families, low-income communities, and communities of color through direct services and advocacy. Medical debt affects Marylanders across all incomes and backgrounds, but it disproportionately impacts communities of color. According to a September 2023 statewide poll, 14% of Maryland voters say that they or someone in their household have medical bills or debt that they are not able to repay.¹

¹ September 2023 Gonzales Poll Commissioned by Economic Action Maryland (then Maryland Consumer Rights Coalition)

African-American households comprise 23% of those unable to pay a medical bill compared to 8% of white households.²

Research Economic Action Maryland commissioned authored by Boston University economists Keith Ericson and Tal Gross found that hospital medical debt lawsuits primarily affect low-income residents: there are three times as many lawsuits per capita filed against residents in the lowest-income regions of Maryland as compared to the highest-income regions.³ This ruling will benefit low-income and majority Black and Brown communities which are hardest hit by medical debt.

For these reasons, Economic Action Maryland strongly supports this proposed ruling and we urge its adoption. However, we would like to offer a couple of recommendations that would improve the efficacy of this ruling.

Recommendation 1: Extend the reporting ban to include credit reports used for employment and tenant screening.

Medical debt can unfairly impact a consumer's ability to secure housing or employment, despite its distinct nature from traditional consumer debt. This is especially a concern as this can exacerbate existing racial inequalities in hiring and tenant approval processes. By utilizing your authority under the Fair Credit Reporting Act (FCRA) or the CFPB's general mandate to ban unfair, deceptive, or abusive acts and practices, the CFPB can ensure that medical debt cannot be used against a consumer in these critical contexts. No one chooses to take on medical debt. Recent reports illustrate the high cost of renting in Maryland. A report from the National Low Income Housing Coalition found that a minimum wage worker in Maryland would have to work 82 hours a week to afford a modest one-bedroom apartment.⁴ Moreover, our research on hospital medical debt lawsuits found the top private employers of patients whose wages were garnished for hospital debt included Wal-Mart, Perdue Farms, and Home Depot as well as the hospitals themselves⁵. Low-wage workers already struggle to afford rising rents in Maryland. Medical debt deterring low-wage workers' ability to obtain new jobs or new places to live impedes economic mobility. Banning medical debt from employment and tenant screenings is an important addition to the proposed rule.

Recommendation 2: extend the credit reporting ban to negative information about lending products used to pay for medical debts, especially medical credit cards.

² September 2023 Gonzales Poll Commissioned by Economic Action Maryland (then Maryland Consumer Rights Coalition)

³ <https://abell.org/wp-content/uploads/2022/02/Final20Medical20Debt20Report.pdf>

⁴ <https://www.nlihc.org/or>

⁵ [Preying on Patients](#)

In our 2023 statewide poll, when asked how they would pay an unexpected \$500 medical bill, 24% said they would use a credit card.⁶ Including medical debt paid on credit cards where the debt can be identified and isolated as medical charges would benefit an enormous number of consumers. At a minimum, this ruling should include medical loans and credit cards such as CareCredit, in the medical debt credit reporting ban. A CFPB Report from 2023 suggests that many hospitals and specialists are phasing out traditional interest-free installment plans and moving toward medical credit cards.⁷ As of this year, the leading medical credit company, CareCredit, has over 12.4 million cardholders.⁸ This means that unless the CFPB's ruling includes these products, a substantial amount of medical debt will continue to negatively impact the credit of millions of people. Just like other credit products, these medical credit cards are clearly lending products, which means the CFPB has broad authority over them.

I urge you to adopt the proposed recommendations above. We strongly support this proposed ruling with these additions and thank the CFPB for proposing this important rule.

Thank you for your time and consideration.

Best,

Marceline White, Executive Director

Kali Schumitz, Vice President for External Relations, Maryland Center on Economic Policy

Michael Dalto, President, High Note Consulting, LLC

Nneka Nnamdi Fight Blight Bmore

Phillip Westry, Executive Director, Freestate Justice

Henry Bogdan, Director of Public Policy and Advocacy, Maryland Nonprofits

Claudia Wilson Randall, Community Development Network of Maryland

Ninfa Amador, Policy Analyst, CASA Maryland

⁶ September 2023 Gonzales Poll Commissioned by Economic Action Maryland (then Maryland Consumer Rights Coalition)

⁷ https://files.consumerfinance.gov/f/documents/cfpb_medical-credit-cards-and-financing-plans_2023-05.pdf

⁸

<https://www.carecredit.com/providers/faq/#:~:text=Is%20CareCredit%20widely%20used%3F,procedures%20they%20want%20and%20need.>