

### 116TH CONGRESS 1ST SESSION

# S. 1581

To amend the Fair Credit Reporting Act to institute a 1-year waiting period before medical debt will be reported on a consumer's credit report and to remove paid-off and settled medical debts from credit reports that have been fully paid or settled, to amend the Fair Debt Collection Practices Act to provide a timetable for verification of medical debt and to increase the efficiency of credit markets with more perfect information, and for other purposes.

### IN THE SENATE OF THE UNITED STATES

May 21, 2019

Mr. Merkley (for himself, Mr. Blumenthal, Ms. Warren, Mr. Menendez, and Mr. Durbin) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

## A BILL

To amend the Fair Credit Reporting Act to institute a 1-year waiting period before medical debt will be reported on a consumer's credit report and to remove paid-off and settled medical debts from credit reports that have been fully paid or settled, to amend the Fair Debt Collection Practices Act to provide a timetable for verification of medical debt and to increase the efficiency of credit markets with more perfect information, and for other purposes.

- 1 Be it enacted by the Senate and House of Representa-
- 2 tives of the United States of America in Congress assembled,
- 3 SECTION 1. SHORT TITLE.
- 4 This Act may be cited as the "Medical Debt Relief
- 5 Act of 2019".
- 6 SEC. 2. AMENDMENTS TO FAIR CREDIT REPORTING ACT.
- 7 (a) Medical Debt Defined.—Section 603 of the
- 8 Fair Credit Reporting Act (15 U.S.C. 1681a) is amended
- 9 by adding at the end the following:
- 10 "(bb) Medical Debt.—The term 'medical debt'
- 11 means a debt described in section 604(g)(1)(C).".
- 12 (b) Exclusion for Paid or Settled Medical
- 13 Debt.—Section 605(a) of the Fair Credit Reporting Act
- 14 (15 U.S.C. 1681c(a)) is amended by adding at the end
- 15 the following:
- 16 "(9) Any information relating to a medical debt if
- 17 the date on which the debt was placed for collection,
- 18 charged to profit or loss, or subjected to any similar action
- 19 antedates the report by less than 1 year.
- 20 "(10) Any information relating to a fully paid or set-
- 21 tled medical debt that had been characterized as delin-
- 22 quent, charged off, or in collection which, from the date
- 23 of payment or settlement, antedates the report by more
- 24 than 45 days.".

1	SEC. 3. AMENDMENTS TO THE FAIR DEBT COLLECTION
2	PRACTICES ACT.
3	(a) In General.—Section 809 of the Fair Debt Col-
4	lection Practices Act (15 U.S.C. 1692g) is amended by
5	adding at the end the following:
6	"(f) Additional Notice Requirements for Med-
7	ICAL DEBT.—
8	"(1) Definitions.—In this subsection:
9	"(A) Consumer reporting agency.—
10	The term 'consumer reporting agency' has the
11	meaning given the term in section 603(f) of the
12	Fair Credit Reporting Act (15 U.S.C.
13	1681a(f)).
14	"(B) Medical debt.—The term 'medical
15	debt' means a debt arising from the receipt of
16	medical services, products, or devices.
17	"(2) Notice about credit reporting.—Be-
18	fore furnishing information regarding a medical debt
19	of a consumer to a consumer reporting agency, the
20	person furnishing the information shall send a state-
21	ment to the consumer that includes the following:
22	"(A) A notification that the medical debt
23	may not be reported to a consumer reporting
24	agency until the end of the 1-year period begin-
25	ning on the date on which the person sends the
26	statement.

1	"(B) The specific date that is the end of
2	the 1-year period beginning on the date on
3	which the person sends the statement.
4	"(C) A notification that, if the debt is set-
5	tled or paid by the consumer or an insurance
6	company during the 1-year period beginning on
7	the date on which the person sends the state-
8	ment—
9	"(i) the debt may not be reported to
10	a consumer reporting agency; and
11	"(ii) the consumer may, during that
12	1-year period—
13	"(I) communicate with an insur-
14	ance company to determine coverage
15	for the debt; or
16	"(II) apply for financial assist-
17	ance.
18	"(3) No reporting during 1-year period.—
19	"(A) In general.—During the 1-year pe-
20	riod described in paragraph (2), no person may
21	communicate with, or report any information
22	to, any consumer reporting agency regarding a
23	debt described in that paragraph.
24	"(B) Rule of Construction.—Nothing
25	in subparagraph (A) may be construed to affect

- when a debt collector may engage in activities to collect or attempt to collect any debt owed or due or asserted to be owed.
- 4 "(4) Reporting after the 1-year period.—
  5 Nothing in this subsection shall prohibit a person
  6 from communicating with, or reporting any informa7 tion to, a consumer reporting agency regarding a
  8 medical debt of a consumer after the end of the 19 year period described in paragraph (2) with respect
  10 to the debt.".

#### 11 SEC. 4. EFFECTIVE DATE.

The amendments made by this Act shall take effect on the date that is 180 days after the date of enactment of this Act.

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