

114TH CONGRESS  
2D SESSION

# S. 2592

To amend the Fair Credit Reporting Act by instituting a 180-day waiting period before medical debt will be reported on a consumer's credit report and removing paid-off and settled medical debts from credit reports that have been fully paid or settled, to amend the Fair Debt Collection Practices Act by providing for a timetable for verification of medical debt and to increase the efficiency of credit markets with more perfect information, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

FEBRUARY 25, 2016

Mr. MERKLEY (for himself, Mr. DURBIN, Mr. BLUMENTHAL, Mr. MENENDEZ, and Mr. SCHUMER) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

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## A BILL

To amend the Fair Credit Reporting Act by instituting a 180-day waiting period before medical debt will be reported on a consumer's credit report and removing paid-off and settled medical debts from credit reports that have been fully paid or settled, to amend the Fair Debt Collection Practices Act by providing for 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,*

1 **SECTION 1. SHORT TITLE.**

2       This Act may be cited as the “Medical Debt Relief  
3 Act of 2016”.

4 **SEC. 2. AMENDMENTS TO FAIR CREDIT REPORTING ACT.**

5       (a) **MEDICAL DEBT DEFINED.**—Section 603 of the  
6 Fair Credit Reporting Act (15 U.S.C. 1681a) is amended  
7 by adding at the end the following:

8       “(z) **MEDICAL DEBT.**—The term ‘medical debt’  
9 means a debt described in section 604(g)(1)(C).”.

10       (b) **EXCLUSION FOR PAID OR SETTLED MEDICAL**  
11 **DEBT.**—Section 605(a) of the Fair Credit Reporting Act  
12 (15 U.S.C. 1681c(a)) is amended by adding at the end  
13 the following:

14               “(7) Any information related to a medical debt  
15 if the date on which such debt was placed for collec-  
16 tion, charged to profit or loss, or subjected to any  
17 similar action antedates the report by less than 180  
18 days.

19               “(8) Any information related to a fully paid or  
20 settled medical debt that had been characterized as  
21 delinquent, charged off, or in collection which, from  
22 the date of payment or settlement, antedates the re-  
23 port by more than 45 days.”.

1 **SEC. 3. VALIDATION OF MEDICAL DEBT.**

2 (a) IN GENERAL.—Section 809 of the Fair Debt Col-  
3 lection Practices Act (15 U.S.C. 1692g) is amended by  
4 adding at the end the following:

5 “(f) VALIDATION OF MEDICAL DEBT.—For purposes  
6 of medical debt, the following shall apply:

7 “(1) DEFINITIONS.—For purposes of this sub-  
8 section:

9 “(A) CONSUMER REPORTING AGENCY.—  
10 The term ‘consumer reporting agency’ has the  
11 meaning given such term under section 603(f)  
12 of the Fair Credit Reporting Act.

13 “(B) MEDICAL DEBT.—The term ‘medical  
14 debt’ means a debt arising from the receipt of  
15 medical services, products, or devices.

16 “(2) NOTICE OF SPECIFIC DEADLINE.—Prior to  
17 furnishing information regarding a medical debt to  
18 a consumer reporting agency, a statement described  
19 under subsection (a)(3) shall include the following  
20 information:

21 “(A) That the debt collector could report  
22 to a consumer reporting agency regarding the  
23 debt at the end of the 180-day period beginning  
24 on the date that the debt collector sends the  
25 statement.

1           “(B) The specific date that is the end of  
2           the 180-day period beginning on the date that  
3           the debt collector sends the statement.

4           “(C) That, if the debt is settled or paid by  
5           the consumer or an insurance company during  
6           the 180-day period beginning on the date that  
7           the debt collector sends the statement—

8                   “(i) the debt will not be reported to a  
9                   consumer reporting agency; and

10                   “(ii) the consumer may, during the  
11                   180-day period—

12                           “(I) communicate with an insur-  
13                           ance company to determine coverage  
14                           for the debt; or

15                           “(II) apply for financial assist-  
16                           ance.

17           “(3) COMMUNICATIONS BY DEBT COL-  
18           LECTOR.—The debt collector may not, during the  
19           180-day period beginning on the date that the debt  
20           collector sends the statement described under para-  
21           graph (2), communicate with, or report any informa-  
22           tion to, any consumer reporting agency regarding  
23           such debt. This paragraph shall have no effect on  
24           when a debt collector may or may not engage in ac-

1       tivities to collect or attempt to collect any debt owed  
2       or due or asserted to be owed.

3               “(4) REPORTING AFTER THE 180-DAY PE-  
4       RIOD.—Nothing in this subsection shall prohibit the  
5       debt collector from communicating with, or reporting  
6       any information to, any consumer reporting agency  
7       regarding such debt after the end of such 180-day  
8       period.”.

9   **SEC. 4. EFFECTIVE DATE.**

10       The amendments made by this Act shall take effect  
11   after the end of the 6-month period beginning on the date  
12   of the enactment of this Act.

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