

114TH CONGRESS
2D SESSION

H. R. 5593

To amend the Fair Credit Reporting Act and the Fair Debt Collection Practices Act to delay the inclusion in consumer credit reports and to establish requirements for debt collectors with respect to medical debt information of veterans due to inappropriate or delayed Veterans Choice Program billing payments, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 28, 2016

Mr. DELANEY (for himself, Mr. HULTGREN, Mrs. WALORSKI, and Ms. SINEMA) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To amend the Fair Credit Reporting Act and the Fair Debt Collection Practices Act to delay the inclusion in consumer credit reports and to establish requirements for debt collectors with respect to medical debt information of veterans due to inappropriate or delayed Veterans Choice Program billing payments, 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 “Protecting Veterans
3 Credit Act of 2016”.

4 **SEC. 2. PURPOSE.**

5 The purpose of this Act is to rectify reporting of med-
6 ical debt included in a consumer report of a veteran due
7 to inappropriate or delayed payment for hospital care or
8 medical services provided pursuant to section 101 of the
9 Veterans Access, Choice, and Accountability Act of 2014
10 (38 U.S.C. 1701 note) and to clarify the process of debt
11 collection for such medical debt.

12 **SEC. 3. AMENDMENTS TO FAIR CREDIT REPORTING ACT.**

13 (a) VETERAN’S CHOICE MEDICAL DEBT DEFINED.—
14 Section 603 of the Fair Credit Reporting Act (15 U.S.C.
15 1681a) is amended by adding at the end the following:

16 “(z) VETERAN’S CHOICE MEDICAL DEBT.—The term
17 ‘veteran’s Choice medical debt’ means a debt of a veteran
18 arising from hospital care or medical services provided
19 pursuant to section 101 of the Veterans Access, Choice,
20 and Accountability Act of 2014 (38 U.S.C. 1701 note).

21 “(aa) VETERAN.—The term ‘veteran’ has the mean-
22 ing given such term in section 101(2) of title 38, United
23 States Code.”.

24 (b) EXCLUSION FOR VETERAN’S CHOICE MEDICAL
25 DEBT.—Section 605(a) of the Fair Credit Reporting Act

1 (15 U.S.C. 1681c) is amended by adding at the end the
2 following:

3 “(7) Any information related to a veteran’s
4 Choice medical debt if the date on which such debt
5 was placed for collection, charged to profit or loss,
6 or subjected to any similar action antedates the re-
7 port by less than 1 year.

8 “(8) Any information related to a fully paid or
9 settled veteran’s Choice medical debt that had been
10 characterized as delinquent, charged off, or in collec-
11 tion.”.

12 (c) REMOVAL OF VETERAN’S CHOICE MEDICAL
13 DEBT FROM CONSUMER REPORT.—Section 611 of the
14 Consumer Credit Protection Act (15 U.S.C. 1681i) is
15 amended—

16 (1) in subsection (a)(1)(A), by inserting “and
17 except as provided in subsection (g)” after “sub-
18 section (f)”; and

19 (2) by adding at the end the following new sub-
20 section:

21 “(g) DISPUTE PROCESS FOR VETERAN’S CHOICE
22 MEDICAL DEBT.—A consumer may submit a notice along
23 with proof of participation in the program established pur-
24 suant to section 101 of the Veterans Access, Choice, and
25 Accountability Act of 2014 (38 U.S.C. 1701 note) to a

1 consumer reporting agency or a reseller to dispute the in-
 2 clusion of a veteran’s Choice medical debt on a consumer
 3 report of the consumer. Not later than 30 days after re-
 4 ceipt of the notice, the consumer reporting agency shall
 5 delete information relating to the veteran’s Choice medical
 6 debt from the file of the consumer and notify the furnisher
 7 and the consumer of that deletion.”.

8 **SEC. 4. COMMUNICATIONS REGARDING VETERAN’S CHOICE**
 9 **MEDICAL DEBT.**

10 (a) IN GENERAL.—Section 809 of the Fair Debt Col-
 11 lection Practices Act (15 U.S.C. 1692g) is amended—

12 (1) in subsection (a), by inserting “, except for
 13 a veteran’s Choice medical debt as described in sub-
 14 section (f),” after “any debt”; and

15 (2) by adding at the end the following:

16 “(f) VETERAN’S CHOICE MEDICAL DEBT.—

17 “(1) DEFINITIONS.—For purposes of this sub-
 18 section:

19 “(A) CONSUMER REPORTING AGENCY.—

20 The term ‘consumer reporting agency’ has the
 21 meaning given such term under section 603(f)
 22 of the Fair Credit Reporting Act.

23 “(B) VETERAN.—The term ‘veteran’ has
 24 the meaning given such term in section 101(2)
 25 of title 38, United States Code.

1 “(C) VETERAN’S CHOICE MEDICAL
2 DEBT.—The term ‘veteran’s Choice medical
3 debt’ means a debt of a veteran arising from
4 hospital care or medical services provided pur-
5 suant to section 101 of the Veterans Access,
6 Choice, and Accountability Act of 2014 (38
7 U.S.C. 1701 note).

8 “(2) COMMUNICATIONS REGARDING VETERAN’S
9 CHOICE MEDICAL DEBT.—Within five days after the
10 initial communication with a veteran in connection
11 with the collection of a veteran’s Choice medical
12 debt, a debt collector shall, unless the following in-
13 formation is contained in the initial communication
14 or the veteran has paid the debt, send the veteran
15 a written notice containing—

16 “(A) the amount of the debt;

17 “(B) the name of the creditor to whom the
18 debt is owed;

19 “(C) a statement that unless the veteran,
20 within 1 year after the initial communication,
21 disputes the validity of the debt, or any portion
22 thereof, the debt will be assumed to be valid by
23 the debt collector;

24 “(D) a statement that if the veteran noti-
25 fies the debt collector in writing within such 1-

1 year period that the debt, or any portion there-
2 of, is disputed, the debt collector will obtain
3 verification of the debt or a copy of a judgment
4 against the veteran and a copy of such verifica-
5 tion or judgment will be mailed to the veteran
6 by the debt collector;

7 “(E) a statement that, upon the veteran’s
8 written request within such 1-year period, the
9 debt collector will provide the veteran with the
10 name and address of the original creditor, if
11 different from the current creditor;

12 “(F) a statement that the debt collector
13 will not report the debt to a consumer reporting
14 agency until 1 year after the date on which the
15 debt collector sends the statement; and

16 “(G) a statement that the consumer may
17 communicate with—

18 “(i) an insurance company to deter-
19 mine coverage for the debt;

20 “(ii) the Department of Veterans Af-
21 fairs to determine coverage for the debt or
22 repayment options; or

23 “(iii) the provider of hospital care or
24 medical services provided pursuant to sec-
25 tion 101 of the Veterans Access, Choice,

1 and Accountability Act of 2014 (38 U.S.C.
2 1701 note).

3 “(3) COLLECTION OF VETERAN’S CHOICE MED-
4 ICAL DEBT.—If the veteran notifies the debt col-
5 lector in writing within the 1-year period described
6 in paragraph (1) that the veteran’s Choice medical
7 debt, or any portion thereof, is disputed, or that the
8 veteran requests the name and address of the origi-
9 nal creditor, the debt collector shall cease collection
10 of the veteran’s Choice medical debt, or any disputed
11 portion thereof, until the debt collector obtains
12 verification of the veteran’s Choice medical debt or
13 a copy of a judgment, or the name and address of
14 the original creditor, and a copy of such verification
15 or judgment, or name and address of the original
16 creditor, is mailed to the veteran by the debt col-
17 lector. Collection activities and communications that
18 do not otherwise violate this title may continue dur-
19 ing the 1-year period referred to in paragraph (1)
20 unless the veteran has notified the debt collector in
21 writing that the veteran’s Choice medical debt, or
22 any portion of the debt, is disputed or that the vet-
23 eran requests the name and address of the original
24 creditor. Any collection activities and communication
25 during the 1-year period may not overshadow or be

1 inconsistent with the disclosure of the veteran's right
2 to dispute the veteran's Choice medical debt or re-
3 quest the name and address of the original cred-
4 itor.''.

5 **SEC. 5. EFFECTIVE DATE.**

6 The amendments made by this Act shall take effect
7 after the end of the 90-day period beginning on the date
8 of the enactment of this Act.

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