

113TH CONGRESS
1ST SESSION

H. R. 2211

To amend the Fair Debt Collection Practices Act to provide for a timetable for verification of medical debt and to increase the efficiency of credit markets with more perfect information.

IN THE HOUSE OF REPRESENTATIVES

MAY 24, 2013

Mr. GARY G. MILLER of California (for himself and Mrs. McCARTHY of New York) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To amend the Fair Debt Collection Practices Act to provide for a timetable for verification of medical debt and to increase the efficiency of credit markets with more perfect information.

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 “Accuracy in Reporting
5 Medical Debt Act of 2013”.

6 **SEC. 2. FINDINGS.**

7 The Congress finds the following:

1 (1) A reduction in a consumer’s credit score
2 can impede consumers’ economic activity and con-
3 sumer borrowing capacity.

4 (2) A 2012 Federal Trade Commission report
5 found that as many as 40 million Americans have
6 mistakes on their credit report.

7 (3) According to credit evaluators, medical debt
8 collections are inconsistently reported, and of ques-
9 tionable value in predicting future payment perform-
10 ance.

11 (4) Medical debt that has been completely paid
12 off or settled will remain on a consumer’s credit re-
13 port and can significantly damage a consumer’s
14 credit score for 7 years.

15 (5) Creditworthy consumers may be denied
16 credit, pay higher interest rates, or pay higher fees
17 when buying or refinancing a home loan or obtaining
18 credit for credit-related products due to disputed
19 medical debt on their credit reports.

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

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

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

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

3 “(A) CONSUMER REPORTING AGENCY.—
4 The term ‘consumer reporting agency’ has the
5 meaning given such term under section 603(f)
6 of the Fair Credit Reporting Act.

7 “(B) DISPUTES THE VALIDITY.—With re-
8 spect to a medical debt, a consumer disputes
9 the validity of such debt if the consumer states,
10 in writing, that either—

11 “(i) the consumer is continuing to
12 communicate with an insurance company
13 to determine coverage for the debt;

14 “(ii) the consumer disputes the
15 amount or existence of the debt; or

16 “(iii) the consumer has applied for fi-
17 nancial assistance, provides evidence of
18 such application, and is awaiting a deter-
19 mination.

20 “(C) MEDICAL DEBT.—The term ‘medical
21 debt’ means a debt arising from the receipt of
22 medical services, products, or devices.

23 “(2) NOTICE OF SPECIFIC DEADLINE.—When
24 sending a statement described under subsection

1 (a)(3), the debt collector shall include the following
2 information:

3 “(A) That the debt collector could report
4 to a consumer reporting agency regarding the
5 debt, if the consumer does not respond to the
6 notice within 30 days from the date on which
7 the consumer received the statement.

8 “(B) That, if the consumer does respond,
9 the debt collector could report to a consumer
10 reporting agency regarding the debt at the end
11 of the 120-day period beginning on the date
12 that the debt collector sends the statement.

13 “(C) The specific date that is the end of
14 the 120-day period beginning on the date that
15 the debt collector sends the statement.

16 “(3) EFFECT OF CONSUMER NOTICE.—If the
17 consumer notifies the debt collector, in writing, with-
18 in the 30-day period described under subsection (a),
19 that the consumer disputes the validity of the debt,
20 the debt collector may not, during the 120-day pe-
21 riod beginning on the date that the debt collector
22 sends the written notice described under subsection
23 (a), communicate with, or report any information to,
24 any consumer reporting agency regarding such debt.
25 This paragraph shall have no effect on when a debt

1 collector may or may not engage in activities to col-
2 lect or attempt to collect any debt owed or due or
3 asserted to be owed.

4 “(4) REPORTING AFTER THE 120-DAY PE-
5 RIOD.—Nothing in this subsection shall prohibit the
6 debt collector from communicating with, or reporting
7 any information to, any consumer reporting agency
8 regarding such debt after the end of such 120-day
9 period.”.

10 (b) EFFECTIVE DATE.—The amendment made by
11 subsection (a) shall take effect after the end of the 6-
12 month period beginning on the date of the enactment of
13 this Act.

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