

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.

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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

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## 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

1           when a debt collector may engage in activities  
2           to collect or attempt to collect any debt owed or  
3           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 informa-  
7           tion to, a consumer reporting agency regarding a  
8           medical debt of a consumer after the end of the 1-  
9           year period described in paragraph (2) with respect  
10          to the debt.”.

11 **SEC. 4. EFFECTIVE DATE.**

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

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