

Press Coverage | October 14, 2024

# Bill Introduced in House to Allow Furnishers to Report Positive Medical Debt Information to Credit Bureaus

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Virginia Bell Flynn

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Virginia Bell Flynn, a partner in Troutman Pepper's Consumer Financial Services Practice Group, was quoted in the *AccountsRecovery.net Compliance Digest* article, "[Bill Introduced in House to Allow Furnishers to Report Positive Medical Debt Information to Credit Bureaus.](#)"

A bipartisan bill has been introduced in the House of Representatives that seeks to amend the Fair Credit Reporting Act so that individuals making payments on unpaid medical debts would see their credit scores boosted. [More details here.](#)

**WHAT THIS MEANS FROM VIRGINIA BELL FLYNN OF TROUTMAN PEPPER:** On October 1, the Reporting Medical Debt Payments as Positive Consumer Credit Information Act of 2024 was introduced in the House of Representatives as H.R. 9890 and referred to the House Committee on Financial Services. The bipartisan bill seeks to amend the Fair Credit Reporting Act to improve the credit scores of individuals making payments on unpaid medical debts. The bill would permit furnishers of medical debt information, such as debt collectors or healthcare providers, to report positive information to credit reporting agencies. Under the bill, a furnisher could report:

- information about a fully paid or settled medical debt, even if the debt originated more than a year prior to the consumer's current credit report; and
- positive payment performance if a consumer is actively and satisfactorily making payments under an agreed-upon payment plan for medical debt.

The bill would require consumer reporting agencies and credit score providers to adopt reasonable procedures to ensure this positive information is included in credit reports, utilized in credit score generation, and fairly provided to users of credit reports. Currently, medical debt negatively affects credit scores, but making positive payments on such debt does not improve credit scores.

Meanwhile, the Consumer Financial Protection Bureau proposed a rule which would ban medical debt from certain credit reports and requested comments before August 12, 2024. The proposed rule would:

- remove financial information exception that currently allows creditors to use medical information related to medical debt when making credit eligibility determinations;
- prohibit consumer reporting agencies from including medical debt information in credit reports provided to creditors, when it believes that creditors are prohibited from considering it; and
- would ban repossession of medical devices.

The bill to amend the FCRA and the CFPB proposed rule would work harmoniously to improve consumer credit reports. Although the CFPB proposed rule does not completely eliminate the appearance of medical debt on credit reports, taken together, the proposed rule and the bill would keep the least amount of medical debt information possible on a consumer credit report, and boost a consumer's credit when making payments towards the medical debts remaining on a report. If the bill is passed and the proposed rule takes effect, we anticipate advising clients on procedures to ensure medical debt information is properly reported and reflected on client reports.

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