AMENDMENT TO THE RULES COMMITTEE PRINT
117–13
OFFERED BY MS. TLAIB OF MICHIGAN

In title LI, add at the end the following:

SEC. 5106. SERVICEMEMBER PROTECTIONS FOR MEDICAL DEBT COLLECTIONS.

(a) Amendments to the Fair Debt Collection Practices Act.—

(1) Definition.—Section 803 of the Fair Debt Collection Practices Act (15 U.S.C. 1692a) is amended by adding at the end the following:

“(9) The term ‘medical debt’ means a debt arising from the receipt of medical services, products, or devices.”.

(2) Unfair Practices.—Section 808 of the Fair Debt Collection Practices Act (15 U.S.C. 1692f) is amended by adding at the end the following:

“(9) Engaging in activities to collect or attempting to collect a medical debt owed or due or asserted to be owed or due by a consumer who was a member of the Armed Forces at the time such debt was incurred, before the end of
the 2-year period beginning on the date that
the first payment with respect to such medical
debt is due.”.

(b) Prohibition on Consumer Reporting Agen-
cies Reporting Certain Medical Debt With Re-
spect to Members of the Armed Forces.—

(1) Definition.—Section 603 of the Fair
Credit Reporting Act (15 U.S.C. 1681a) is amended
by adding at the end the following:
“(bb) Medical Debt.—The term ‘medical debt’
means a debt arising from the receipt of medical services,
products, or devices.
“(cc) Medically Necessary Procedure.—The
term ‘medically necessary procedure’ means—
“(1) health care services or supplies needed to
diagnose or treat an illness, injury, condition, dis-
ease, or its symptoms and that meet accepted stand-
ards of medicine; and
“(2) health care to prevent illness or detect ill-
ness at an early stage, when treatment is likely to
work best (including preventive services such as pap
tests, flu shots, and screening mammograms).”.

(2) In General.—Section 605(a) of the Fair
Credit Reporting Act (15 U.S.C. 1681c(a)) is
amended—
(A) in paragraph (7), by adding at the end the following: “This paragraph shall not be subject to section 625(b)(1)(E).”; 

(B) in paragraph (8), by adding at the end the following: “This paragraph shall not be subject to section 625(b)(1)(E).”; and 

(C) by adding at the end the following new paragraphs:

“(9) Any information related to a debt arising from a medically necessary procedure that occurred when the consumer was a member of the Armed Forces. This paragraph shall not be subject to section 625(b)(1)(E).

“(10) Any information related to a medical debt of a consumer that was incurred when the consumer was a member of the Armed Forces, if the date on which such debt was placed for collection, charged to profit or loss, or subjected to any similar action antedates the report by less than 365 calendar days. This paragraph shall not be subject to section 625(b)(1)(E).”.

(c) REQUIREMENTS FOR FURNISHERS OF MEDICAL DEBT INFORMATION WITH RESPECT TO MEMBERS OF THE ARMED FORCES.—
(1) ADDITIONAL NOTICE REQUIREMENTS FOR MEDICAL DEBT OF MEMBERS OF THE ARMED FORCES.—Section 623 of the Fair Credit Reporting Act (15 U.S.C. 1681s–2) is amended by adding at the end the following:

“(f) ADDITIONAL NOTICE REQUIREMENTS FOR MEDICAL DEBT OF MEMBERS OF THE ARMED FORCES.—Before furnishing information regarding a medical debt of a consumer that was incurred when the consumer was a member of the Armed Forces to a consumer reporting agency, the person furnishing the information shall send a statement to the consumer that includes the following:

“(1) A notification that the medical debt—

“(A) may not be included on a consumer report made by a consumer reporting agency until the later of the date that is 365 days after—

“(i) the date on which the person sends the statement;

“(ii) with respect to the medical debt of a borrower demonstrating hardship, a date determined by the Director of the Bureau; or

“(iii) the date described under section 605(a)(10); and
“(B) may not ever be included on a consumer report made by a consumer reporting agency, if the medical debt arises from a medically necessary procedure.

“(2) A notification that, if the debt is settled or paid by the consumer or an insurance company before the end of the period described under paragraph (1)(A), the debt may not be reported to a consumer reporting agency.

“(3) A notification that the consumer may—

“(A) communicate with an insurance company to determine coverage for the debt; or

“(B) apply for financial assistance.”.

(2) Furnishing of Medical Debt Information with Respect to Members of the Armed Forces.—Section 623 of the Fair Credit Reporting Act (15 U.S.C. 1681s–2), as amended by paragraph (1), is further amended by adding at the end the following:

“(g) Furnishing of Medical Debt Information with Respect to Members of the Armed Forces.—

“(1) Prohibition on reporting debt related to medically necessary procedures.—

No person shall furnish any information to a consumer reporting agency regarding a debt arising
from a medically necessary procedure that occurred when the consumer was a member of the Armed Forces.

“(2) Treatment of other medical debt information.—With respect to a medical debt of a consumer that was incurred when the consumer was a member of the Armed Forces and that is not described under paragraph (1), no person shall furnish any information to a consumer reporting agency regarding such debt before the end of the 365-day period beginning on the later of—

“(A) the date on which the person sends the statement described under subsection (f) to the consumer;

“(B) with respect to the medical debt of a borrower demonstrating hardship, a date determined by the Director of the Bureau; or

“(C) the date described in section 605(a)(10).

“(3) Treatment of settled or paid medical debt.—With respect to a medical debt of a consumer that was incurred when the consumer was a member of the Armed Forces and that is not described under paragraph (1), no person shall furnish any information to a consumer reporting agency re-
garding such debt if the debt is settled or paid by
the consumer or an insurance company before the
end of the 365-day period described under para-

(4) BORROWER DEMONSTRATING HARDSHIP
DEFINED.—In this subsection, and with respect to a
medical debt, the term ‘borrower demonstrating
hardship’ means a borrower or a class of borrowers
who, as determined by the Director of the Bureau,
is facing or has experienced unusual extenuating life
circumstances or events that result in severe finan-
cial or personal barriers such that the borrower or
class of borrowers does not have the capacity to
repay the medical debt.”.

(d) EFFECTIVE DATE.—Except as otherwise pro-
vided under subsection (e), this section and the amend-
ments made by this section shall take effect on the date
that is 180 days after the date of enactment of this Act.

(e) DISCRETIONARY SURPLUS FUNDS.—

(1) IN GENERAL.—The dollar amount specified
under section 7(a)(3)(A) of the Federal Reserve Act
(12 U.S.C. 289(a)(3)(A)) is reduced by $1,000,000.
(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect on September 30, 2031.