To amend the Fair Credit Reporting Act to institute a 180-day 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.

IN THE SENATE OF THE UNITED STATES

Mr. Merkley (for himself, Mr. Blumenthal, Mrs. Feinstein, Ms. Warren, Mr. Durbin, Mr. Menendez, and Ms. Hassan) introduced the following bill; which was read twice and referred to the Committee on

A BILL

To amend the Fair Credit Reporting Act to institute a 180-day 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.
Be it enacted by the Senate and House of Representa-
tives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Medical Debt Relief
Act of 2018”.

SEC. 2. AMENDMENTS TO FAIR CREDIT REPORTING ACT.

(a) Medical Debt Defined.—

(1) IN GENERAL.—Section 603 of the Fair
Credit Reporting Act (15 U.S.C. 1681a) is amended
by adding at the end the following:

“(z) Medical Debt.—The term ‘medical debt’
means a debt described in section 604(g)(1)(C).”.

(2) Technical and Conforming Amendments.—On the date described in section 302(e) of
the Economic Growth, Regulatory Relief, and Con-
sumer Protection Act (Public Law 115–174), sub-
section (z) of section 603 of the Fair Credit Report-
ing Act (15 U.S.C. 1681a), as added by paragraph
(1), shall be redesignated as subsection (bb) and
moved to appear after subsection (aa).

(b) Exclusion for Paid or Settled Medical
Debt.—

(1) IN GENERAL.—Section 605(a) of the Fair
Credit Reporting Act (15 U.S.C. 1681c(a)) is
amended by adding at the end the following:
“(7) Any information relating to a medical debt if the date on which the debt was placed for collection, charged to profit or loss, or subjected to any similar action antedates the report by less than 180 days.

“(8) Any information relating to a fully paid or settled medical debt that had been characterized as delinquent, charged off, or in collection which, from the date of payment or settlement, antedates the report by more than 45 days.”.

(2) TECHNICAL AND CONFORMING AMENDMENTS.—On the date described in section 302(e) of the Economic Growth, Regulatory Relief, and Consumer Protection Act (Public Law 115–174), paragraphs (7) and (8) of section 605(a) of the Fair Credit Reporting Act (15 U.S.C. 1681c(a)), as added by paragraph (1) of this subsection, shall be redesignated as paragraphs (9) and (10), respectively, and moved to appear after paragraph (8).

SEC. 3. AMENDMENTS TO THE FAIR DEBT COLLECTION PRACTICES ACT.

(a) IN GENERAL.—Section 809 of the Fair Debt Collection Practices Act (15 U.S.C. 1692g) is amended by adding at the end the following:
“(f) ADDITIONAL NOTICE REQUIREMENTS FOR MEDICAL DEBT.—

“(1) DEFINITIONS.—In this subsection:

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

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

“(2) NOTICE ABOUT CREDIT REPORTING.—Before furnishing information regarding a medical debt of a consumer to a consumer reporting agency, the person furnishing the information shall send a statement to the consumer that includes the following:

“(A) A notification that the medical debt may not be reported to a consumer reporting agency until the end of the 180-day period beginning on the date on which the person sends the statement.

“(B) The specific date that is the end of the 180-day period beginning on the date on which the person sends the statement.

“(C) A notification that, if the debt is settled or paid by the consumer or an insurance
company during the 180-day period beginning
on the date on which the person sends the
statement—

“(i) the debt may not be reported to
a consumer reporting agency; and

“(ii) the consumer may, during that
180-day period—

“(I) communicate with an insur-
ance company to determine coverage
for the debt; or

“(II) apply for financial assist-
ance.

“(3) NO REPORTING DURING 180-DAY PE-
RIOD.—

“(A) IN GENERAL.—During the 180-day
period described in paragraph (2), no person
may communicate with, or report any informa-
tion to, any consumer reporting agency regard-
ing a debt described in that paragraph.

“(B) RULE OF CONSTRUCTION.—Nothing
in this paragraph may be construed to affect
when a debt collector may engage in activities
to collect or attempt to collect any debt owed or
due or asserted to be owed.
“(4) REPORTING AFTER THE 180-DAY PERIOD.—Nothing in this subsection shall prohibit a person from communicating with, or reporting any information to, a consumer reporting agency regarding a medical debt of a consumer after the end of the 180-day period described in paragraph (2) with respect to the debt.”.

SEC. 4. EFFECTIVE DATE.

Except as otherwise expressly provided, the amendments made by this Act shall take effect on the date that is 180 days after the date of enactment of this Act.