



For Immediate Release
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ICYMI: "Band-Aids, Botox, And Broken Bones: CFPB Wants You To Pay For Other People's Medical Bills"

WASHINGTON – Today, Congressman Byron Donalds (R-FL) published the following op-ed entitled, "[Band-Aids, Botox, and broken bones: CFPB wants you to pay for other people's medical bills](#)" in the Washington Examiner. The op-ed details a new rule that the Consumer Financial Protection Bureau (CFPB) is expected to propose, which would force you to pay for other people's medical bills.

Read the full op-ed [here](#) or below:

Band-Aids, Botox, and broken bones: CFPB wants you to pay for other people's medical bills

Representative Byron Donalds (R-FL)
[Washington Examiner](#) – May 17, 2024

As Americans across the country grapple with economic challenges, such as finding affordable [housing](#), dealing with rising costs from inflation, and managing increased debt from credit cards and medical debt, federal bureaucrats in [Washington, D.C.](#), continue to propose misguided solutions to these very real problems. One agency in particular, the Consumer Financial Protection Bureau, seems determined to make things worse for the American consumer.

Instead of directing its unlimited funding and ever-growing staff — both of which result from its single, unelected director structure — toward critical solutions to the financial woes plaguing Americans, CFPB is trying to regulate these challenges away. This approach is ineffective and will ultimately make things worse by adding even more red tape to the market and penalizing hardworking consumers striving for [fiscal responsibility](#).

For example, the CFPB is expected to propose a new rule related to credit reporting — or the lack thereof. This rewrite of the Fair Credit Reporting Act — a law that was passed by and can only be revised by [Congress](#) — proposes to eliminate all credit reporting of medical debt. The CFPB is also considering disallowing lenders from taking into account owed medical debt when underwriting loans.

On paper this may sound positive, since there is of course deep empathy for Americans with medical expenses. However, in reality there remain a host of details the CFPB has not ironed out. Moreover, unintended consequences of the rule proposals have not received proper consideration.

As someone with a background in the financial services industry, I can tell you that operating with incomplete information carries significant negative repercussions. If a [bank](#), credit union, or other lender does not know that a specific consumer owes medical debt, or if that debt is not reflected in their credit score, they might unwittingly approve a car loan that the consumer genuinely cannot afford. Hiding this medical debt from a credit score does not make it go away. Concealing medical debt from a credit score does not erase its existence; it remains legally owed and could lead to legal action.

Consumers, however, may be led believe that when credit reporting does not impact underwriting considerations, repayment of medical debt is a voluntary choice. It is not — and failing to consider medical debt when taking out other loans could plunge consumers into an even more precarious situation. They may end up grappling with outstanding medical debt while simultaneously becoming burdened by an unaffordable [loan](#), increasing the likelihood of default.

Compounding this, the CFPB has failed to clearly define “medical debt.” A broad interpretation of this term could include cosmetic procedures charged to credit cards — think Botox — or even minor expenses such as \$6 cough drops from CVS. Without precise guidelines from the CFPB, refraining from reporting anything remotely associated with the word “medical” becomes a daunting task.

This lack of clarity poses a significant threat to the value of credit reports and severely hampers lenders’ ability to make informed decisions when extending credit. Consequently, the overall cost of credit will rise for everyone, and lenders will be disincentivized to service low-income borrowers, ultimately impacting those with the fewest options.

Furthermore, under this rule medical providers will find themselves at the back of the line for payment. This will lead to more upfront costs for copays at medical facilities such as [hospitals](#), urgent cares, and emergency rooms. It might even prompt some consumers to reconsider the value of medical insurance altogether.

These are just a small handful of the many consequences that could result from just one of the CFPB’s proposed “solutions.”

What Americans really need is greater emphasis on financial literacy, business incentives to invest in underserved communities, and innovation that facilitates broader credit access. And while improved policies related to medical care and other financial challenges, particularly for low-income Americans, are undoubtedly necessary, it remains the responsibility of Congress, in consultation with their constituents, to enact any significant changes — not partisan [bureaucrats](#) who answer to no one.

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