



October 30, 2023

Consumer Financial Protection Bureau
Washington, DC 20552

Via email

Dear CFPB Official,

I am writing to you on behalf of BuoyFi, a consumer financial empowerment company with a mission to help Americans free themselves from burdensome medical debt and to create healthier financial futures. Given our significant expertise in managing consumer healthcare receivables and helping consumers resolve medical debts, we are providing some insights that may be helpful to your current efforts, goals, and endeavors. Essentially, we believe that no person should be asked to pay more than they can afford for their medical care.

As a result of our mission and through our partnerships, BuoyFi became aware of your current endeavors to better understand and gain insights regarding the potential positive and negative consequences of reporting medical debts. We would like to provide you with our thoughts and feedback on this important issue.

Resolving Burdensome Medical Debts:

BuoyFi's mission is centered around empowering individuals to understand how much they can afford to pay, provide individualized guidance about how to best manage and resolve these unexpected debts, and to get them on a path to personal financial stability and success. Our BuoyFi Calculator tool is available to consumers free of charge and utilizes verified income and medical debt balances to provide guidance for medical debt resolution options and strategies. Again, we believe that consumers should never be required to pay more than they can afford!

Fair and Informed Decision-Making:

We believe that if structured correctly, the credit reporting of medical debt could potentially benefit all parties– the consumer, the medical providers, and lenders who rely on the need to accurately evaluate the credit risk as well as credit capacity or debt load of consumers. To successfully accomplish this, the following items would need to be addressed:

1. Only credit report the amount that the consumer can afford to pay. Using tools such as the BuoyFi Calculator that utilizes actual income and medical debt information to understand how much each individual consumer can afford to pay is critical to assuring a fair and equitable approach to resolving medical debts. This amount could be zero (total debt forgiveness) if income is verified below certain levels. Expecting a consumer to pay more than they can afford is not only unfair and unreasonable, it will also consistently produce a losing outcome for all of the parties involved.

2. Provide the consumer with the ability to positively impact their credit score. While BuoyFi believes that consumers need to pay what they can afford, we think it is unfair to only negatively report without the ability to positively report medical debt payments. Many of these consumers need to build or rebuild their credit and should be provided the opportunity to personally benefit when resolving their medical debt obligations. To accomplish this, coordinating with the credit bureaus would be required, but we believe it would produce positive short and long-term benefits for all parties.

BuoyFi's Proposals:

1. Healthcare providers and other healthcare "creditors" should only report what the consumer can afford to pay, regardless of the original balance owed;
2. Healthcare providers and other healthcare "creditors" should be required to report "positively" (on-time payments, etc.) along with "negative" reporting of late payments or non-payment.

BuoyFi believes that the CFPB should prioritize reporting medical debt amounts that patients can afford, as it aligns with responsible debt management and reflects their true financial position and ability to pay. This approach ensures fairness and accuracy in credit reporting for individuals facing medical debt challenges while protecting current and potential lenders who need to evaluate credit risk in order to properly protect their business interests. In addition, this approach protects consumers by avoiding over-leverage—a situation in which the borrower cannot truly afford their loan payments, which is avoided when the lender has a complete debt-to-income analysis.

We submit that the CFPB should not consider alternative approaches that deviate from reporting what patients can afford. By focusing on this principle, the CFPB can better protect consumers while providing needed support to healthcare providers seeking to manage their consumer receivables fairly and effectively. Alternative approaches that do not reflect patients' individual financial capabilities may lead to inaccuracies and unfair credit impacts, which should be avoided to ensure responsible lending and debt resolution practices.

In summary, we understand the significant need to balance the financial stability of healthcare providers while ensuring access to care for all patients is a challenging task. Decisions in this regard should be made carefully, with a focus on maintaining the ethical principles of healthcare delivery while addressing the provider's financial needs and concerns. Policymakers and healthcare institutions must consider the potential consequences of such an approach on the patients access to care, affordability of needed services, and the overall quality of the services.

Thank you for considering our input, and we look forward to further discussions on these topics.

Sincerely,



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