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August 9, 2024

Consumer Financial Protection Bureau
c/o Comment Intake Consumer Financial Protection Bureau
1700 G Street NW
Washington, D.C. 20552
VIA EMAIL: 2024-NPRM-MEDICAL-DEBT@cfpb.gov

RE: Docket No. CFPB-2024-2023 or RIN 3170-AA54

Dear Director Chopra and Bureau Staff:

My name is Mindy Chumbley and I own a Washington State Certified Women's Business called Solverity in Vancouver, Washington. I am writing to express my concerns with the CFPB's proposed rule on medical credit reporting.

I employ nine people and we provide collection services to a wide range of clients in Washington, Oregon and California. Solverity has been providing excellence in compliance, in customer service and in helping consumers find solutions to financial situations for 28 years. We focus on respect, best practices and innovation. We are members of Washington Collectors Association and ACA International and utilize their extensive training offerings for our team. One large segment of my business is to provide debt recovery services to small medical and dental providers. I currently serve 94 small dental clinics and 173 small medical clinics as well as one small physicians' group of emergency medical doctors. All of these qualify as small businesses, and all will be negatively affected by this proposed rule.

There are inadequacies in the process the CFPB has taken to create this rule, serious potential damage to small businesses across the country, a host of unintended consequences for consumers and a concerning removal of accountability for our credit-based economy.

Inadequacies in the process:

The CFPB is proposing a major change to our economy without doing robust study of the outcomes. This rule is premature considering the major changes made in the last few years to credit reporting, expanded charity care and new insurance billing standards. So much change with no impact study completed is not wise.

The SBREFA process was rushed and completed with limited input from stakeholders. This is especially concerning as the CFPB was created out of the banking crisis in 2008 and now this very entity is looking to blind our credit grantors from information.

The CFPB based their claims largely on dispute comments from consumers and not from confirmed data. The CFPB points to medical debt that a consumer “may not owe”. My office has an extensive dispute verification process confirming with our client and cross confirming with applicable insurance explanation of benefits (EOB) and we find the vast majority of the amounts are accurate and due. The current status quo dispute process does identify and delete the occasional error. To delete an entire segment of reporting is rash and too expansive. Credit reports already have methods for consumers to dispute and pursue legal remedies for inaccurate data.

Unintended Consequences and Removing Accountability

Credit Reporting can act as a guardrail for bad actors. A quick preview of social media sites will show a host of bad actors telling people how to game the system and cheat their way out of just debts. This rule would harm providers by encouraging nonpayment for services received.

Since the \$500 and one-year limit to credit reporting on medical debt put into effect by the bureaus, my office has spoken with our clients and we find these changes are already having a negative impact. It is making it increasingly difficult to recruit and retain top medical professionals, our clients are seeing a drop in payments and we are seeing the same in our data trends. Further changes will severely restrict providers’ ability to collect for services performed. Rural hospitals, independent clinics and private providers would be most impacted.

This will harm the most vulnerable consumers by reducing the availability of credit and reducing access to care. We are seeing our small clinics increase their cash upfront requirements and not allowing services on payment plans. Creditors will require cash up front for services, pricing vulnerable consumers out. If consumers must pay cash up front it could encourage people to use predatory loans or higher interest rate credit cards rather than the prior generous terms allowed by many medical providers.

I encourage the CFPB to step back from this rule and focus on the causes of medical debt which could assist consumers. To simply remove the accountability at the back end of the credit cycle does not address the underlying reasons for the high cost of medical services and will cause more harm than good.

Thank you,



Mindy Chumbley

President