



August 12th, 2024

Director Rohit Chopra
Consumer Financial Protection Bureau
1700 G Street NW
Washington, DC 20552

Dear Director Chopra,

WorkMoney strongly supports the Consumer Financial Protection Bureau's (CFPB) proposal to remove medical bills from credit reports. Those who have suffered from injury and illness should not be further punished by the financial insecurity that comes with a lower credit score due to medical debt.

WorkMoney is a nonpartisan, nonprofit organization dedicated to helping everyday people earn more and save more. We have 7 million members nationwide, spanning the country and the political spectrum. We believe that if you work hard in America, you should be able to afford a good life. Unfortunately, for too many people – including many who have incurred medical bills through no fault of their own – that is not the reality.

Recently, we asked our members to tell us about their experiences with medical debt and how that has impacted their lives. We received thousands of personal stories detailing the very real, negative consequences of medical debt. Lower credit scores resulting from medical debt have made it more difficult for people to secure housing, employment, and other essential services. Many people find themselves trapped in the cycle of medical debt and see no way out.

- Ross T. from Centralville, AL was in a car accident many years ago and is still suffering the financial consequences. Ross shared that he had a *“car wreck when I was 19. Couldn't pay med bills the rest (went to) collections that never come off. They just keep reporting the same thing. It falls off in 7 years just isn't true.”*
- Jennifer M. from Weirton, WV described her battle with cancer and its impact on her credit score: *“I've been battling cancer for over two years and I have amassed tons of medical debt now. They claim they can't use (medical debt) against you, but let me tell you they do! My hubby & I worked hard to get our credit score nearly perfect. We were excited! Empty nesters ready for next chapter & blammo cancer ... two years ago I got diagnosed with stage 4 rare cancer... I now have a mile long list of medical bills that are now hurting me!”*

- Charnette J. from New Orleans shared a heartbreaking story of a miscarriage and how that has affected her employment opportunities: *“I had a miscarriage .. got billed for everything, \$100k. Took years to find a job in field because job's pulled my credit report and lost out on opportunities because of that.”*
- Toby G. from Spartanburg, SC told us that his medical debt has prevented him from buying a house: *“I'm 48 years old and can't even buy a house [because] of the medical bills on my credit... It all falls back on the medical bills. Nobody will give me a loan so that I can work on building my credit bc of the medical bills. That would be awesome if they did away with that on our credit report.”*

Attached to this letter are over one thousand comments we received from our members, including some longer stories from members who took the time to share more personal details with us. These stories are not unique to WorkMoney members. They represent the experiences of countless Americans across the country facing similar challenges.

Medical debt is not a reflection of improper financial management; illness and injury can happen to any American, at any time. Many people who have medical debt did everything right; they had health insurance and built up savings for an emergency. And yet, with the high cost of healthcare, they have found themselves with unmanageable medical bills.

The CFPB's proposal to ban medical bills from credit reports is an important step toward recognizing that a healthcare setback should not result in financial ruin. This rule change will help millions of Americans rebuild their credit and regain financial stability, which will in turn help many Americans pay off that medical debt.

We appreciate the CFPB's focus on this important issue and encourage the CFPB to move quickly to finalize this important rule.

Sincerely,

A handwritten signature in black ink, appearing to read "Anjali Sakaria". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Anjali Sakaria
Chief Advocacy Officer
WorkMoney

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Exhibit A:

Personal Stories from WorkMoney Members

Name: Danielle Rawlins

Location: Scottsboro, AL

My name is Danielle Rawlins. I am 57 years old and I live in Scottsboro, Alabama. I am a widow. I have six children who are all grown. I have eleven grandchildren. I live on a fixed income making a little over \$900 a month in social security.

A little over 30 years ago I was in a motorcycle accident. I was a stay at home mother, and my husband, at the time, was working for General Motors. I was in the hospital for three months. I was in a medical coma for one month. My right knee was shattered, and to this day I have a closed brain injury. Half of my brain is dead. I can't smell or taste, and have no memories of my childhood. I used to be an actor, and I can no longer sing. I was a very active young lady. My life of activities stopped the day of the accident. This experience hurts, physically and mentally, to this day.

The recovery and care from this motorcycle accident has followed me over 30 years. The care was life saving work that I appreciate. At the same time, the care hurt me financially. My life has been totally demolished by the medical bills. These bills have been on my credit report for over 30 years. It has been a fight to get them removed. I thought that they would be removed after 10 years, but here we are. This has hurt my credit score in major ways. I kept trying to get a car, buy a house, and do the things that normal people do, but the rejections continue. This was not my fault, and I feel punished. Right now, I need to repair my mobile home. Due to my credit history – with the medical bills on it – no contractors will even look at me.

Removing this debt from my credit report would mean being able to buy a new car that is reliable. I would be able to get a plot of land for my mobile home to sit on and to pass along to my kids and grandchildren. I would be able to invest in family experiences by getting a credit card. I can't do anything like this right now and it is not right! Living on fixed income is hard enough. Medical debt on my credit report has pushed me down for too long.

Removing medical debt from credit reports would lift a load off so many people like me. I know others who have medical debt. We should not have to suffer for something that was not necessarily our fault. This rule change needs to happen now, because I will be able to have a better quality of life. I could enjoy life with my grandchildren. I could get a car that I feel safe for my grandchildren to be in. They would be able to visit me more, and I would be able to pick them up more often. This would help me live a better life.

Name: Douglas Pelehowski

Location: Fort Myers, Florida

My name is Douglas Pelehowski and I am 60 years old. I have been living in Fort Myers, Florida for 14 years. I am on social security disability due to a stroke in 2019 at the age of 56 years old. My quality of life has been reduced drastically due to not being able to work, and I struggle to put food on the table. The work that I did for nine years as a radioactive technician is missed dearly. My disability does not allow me to do anything.

After my stroke in 2019 I was left with \$40,000 in medical debt. My work insurance took care of all the hospital expenses while I was in the hospital. But that employer let me go because I couldn't work. I switched to the marketplace health insurance and lost my employer insurance, and with that I lost all the care I needed and ended up with that \$40,000 bill. I developed venous ulcers and needed physical therapy due to the stroke. It took me three years to remove the leg infections. I still can't move my left leg. I had to have medical equipment and other resources to manage day to day life. This medical debt from 2019 has followed me ever since.

From the time I had my stroke I went from a credit score of 680 to about 420. My score has slowly been built back up to 590. I am slowly trying to build it back up by paying past bills to different companies on the side with the little money I make. My income of \$2200 a month goes very fast with all the things I have to do just to live each month. What is left at the end of the month, with my very tight budget, is only around \$14. If the medical debt was removed from my credit report I would be pushed to a more favorable credit report. This would mean a lower interest rate for a credit card. In turn, that would mean a better credit limit. This would mean a little more peace of mind.

This rule change is important for me; it would allow me to do the things I cannot do right now. It would allow me to live a better life for myself and my family. People with little or no credit scores must live a totally different lifestyle than others. Depression and anxiety are real burdens for most people due to this. Is that what we want in our country? It is not what I want. I am tired of seeing poverty and hardship. We need and want this rule change. After all, it's good for America.

Name: George Curlee

Location: Garland, Texas

My name is George Curlee and I live in Garland, Texas. I'm 50 years old and live with my brothers as a single person. I've been a retail worker at Walgreens for four years. I am diabetic and had a toe amputation the last week of October in 2023.

It took me three months to get back on my feet after the toe amputation. There was nursing care for two months to help me walk again. This life saving medical procedure left me with over \$20,000 in debt, even with insurance! I avoided doing necessary follow up with doctors due to not being able to afford the additional needed care. These were hard times. On top of this, I suffered a great deal of depression due to losing my job during my leave of absence.

This medical debt is currently following me. There was a point of time that I was rebuilding my credit. Before the surgery I built it up by over 120 points. With this medical debt on my credit report, my credit score dropped 60 points. This big drop in score has not allowed me to get my own place. I'm not able to continue to pursue my dream of being a voice actor due to not having proper financial footing to go back to school. I can't travel and do the things I would like to do.

I'm working, but things are very tight financially. The medicine that I need is being paid out of pocket. After paying my bills I'm often in the negative. There is no money left over to pay off this medical debt. I can't save money right now- not even towards retirement. To have this medical debt on my credit score means not being able to pursue a better life.

This rule change is needed now because I want to be able to live a better life. I want to retire and travel. I want to relax and have a happy life. To not have this rule change, would be a continuation of the rat race. I have aged myself a lot faster than people my age. The medical debt on my credit report has aged me. I already can't keep up with the cost of living to begin with. This is good for America because there is less stress on the mind, less stress on the body, and people are able to have more money to follow their dreams. A credit score is that powerful.

Name: Paul Sugar

Location: Los Lunas, NM

My name is Paul Sugar, I am a 60 year old small business owner in New Mexico. Four years ago I was in a bad fire. I am still recovering physically and economically. After losing 66 percent of my skin and getting care at a speciality trauma unit in another part of the country, I ended up owing over \$82,000 in medical bills. The medical debt on my credit report means I have not been able to get loans to expand my business and earn more. The bankers and credit companies are making money at the price of the American people.

After the fire, my medical bills were \$550,000. Insurance covered most of it, but it was still more than I could pay. I made payment plans with all of the various bills, but when my credit card number changed some of the automatic payments did not go through and the bills ended up in collections before I even knew I was behind.

Prior to the fire I always had a stellar credit rating, but since this medical debt it has gone down. In my business it's important to be able to take our short term loans to resupply the company, but now I can not do that at reasonable terms and rates. I spent my retirement savings account trying to pay back all of the medical bills, but it just was not enough. Now, I worry about my future. How will I retire? Will I have enough for my daughter's college education? Can I move homes if I need to?

This rule change would help all Americans, not just me and my family. Anyone can have an accident. It's unfair to have one incident destroy you. I have worked hard all my life. I often hold two jobs, have never been unemployed, and I paid my bills. I should have top notch credit. To get beat up this late in life over the medical debt is unfair. It does not give a complete picture of my credit risk and simply gives the credit companies a reason to charge me more. Medical debt has pushed me to the bottom when I have worked hard to pay every bill. Taking this debt off our reports would give the American people another chance.

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Name: Joshua Holden

Location: Dallas, Texas

I'm Joshua Holden, a 44 year old man in Dallas, Texas. I have been working toward the American Dream of owning my own business. I currently hold down six jobs in the gig economy trying to save enough money for a business, but the medical debt on my credit report is preventing me from getting the kind of loans I need. This debt means my American Dream is impossible and I wonder why I should even keep working toward my dream.

Regular medical bills have appeared on my credit report over time. It is frustrating that a single doctor's appointment generates multiple bills. One appointment can have a doctor's bill, lab bill, and a radiology bill. It gets out of hand. The most recent debt is from about two years ago. Despite working with hospitals and doctors offices on payment plans to pay off the bills, they have been sent to collections and are on my credit report. A simple miscommunication resulted in the medical bills being sent to collection agencies.

These negative marks on my credit report have really affected me. The issue has come up when I bought a car, rented an apartment and even when I was being interviewed for a job. The negative marks are looked at as part of your character. I have had to pay a much higher interest rate on car loans, and have been passed up on apartment rentals. I even had a potential employer ask me about it. I didn't get the job and will never know if my medical debt is why. Once, after being denied credit, and being inundated with scores of questions about debt, I had anxiety attacks. I worry things won't change. Despite working so hard to be financially responsible and saving money diligently, I am still denied credit. It makes me feel panicked – will I still have a place to live? Can I afford to get to work? It has caused me many sleepless nights and so much anxiety. When potential employers or landlords have asked about the medical debit I feel retraumatized having to discuss the initial medical incident all over again for a perfect stranger. I wonder how many opportunities for jobs I have missed because I was afraid to discuss this medical bill or even answer the phone when debt collectors are calling.

This rule change is needed now more than ever, credit is vital for survival in this country. I have been saving money to open my own trucking and delivery business. After working in transportation and logistics for years, I have developed a plan for a needed service. Unfortunately, my personal credit becomes the business' credit initially and after talking to banks and other lenders no one is willing to lend me the necessary capital to start this business. My American dream is impossible with this debt on my record.

Exhibit B:

Comments in support of removing medical debt from credit scores



**WorkMoney Members
Response to the CFPB's
Ban on Medical Debt from
Credit Reports' Proposal**

More than 1000 responses
in support of the proposal



Name	City, State	Comment
Ignacio B	Anchorage, AK	My bills are the thousands, I'll never get a loan again, I miss a lot of payments, my score goes down, I don't want to file bankruptcy, I haven't yet, I'm income now, almost homeless, going to food banks, and under Hospice care, with Heart failure, and their a lot of help, and family, You they need to take Medical bills off, everybody need help, and my self, Ty
Ross F	Alabaster, AL	Car wreck when I was 19. Couldn't pay med bills and so young and dumb I guess. I ended up just letting them go, well you know the rest collections that never come off. They just keep reporting the same thing. "It falls off in 7 years just isn't true. I think they can haunt you forever.
Amy W	Huntsville, AL	I have medical bills from my early 20's that has kept me from all kinds of possibilities. I do not have credit but can't establish it because of medical bills and I'm at the age I need my credit report to be ok cause I can't get a home and at the moment am homeless because of it
William R	Phoenix, AZ	The majority of problems on my report are due to medical bills i was charged when i had cancer and had to take 7 different meds and chemo and radiation a mm d phys therapy et c. If the govt passes this itll give me a new lease on life
Jennifer P	Merced, CA	Medical bills have kept my credit so low. Even if I pay them off they are outrageous. I still owe \$20,000 for the birth of my son. I want to buy a house in five years to leave him something when I am gone. I had my first and only child at 40. I really hope this passes so that people like me have a fighting chance at the American dream. As a single parent with no help at all, I would love the opportunity this measure would present for me.
Tina F	Wilmington, DE	I went to the ER twice because I couldn't breathe and did not know why until I was told I have COPD I check my credit report about 1 month and saw 2 bill from the ER both over \$2300 each I been working on my credit to buy a house now I have to pay these bills off 1st It's like I either go to the ER cause I couldn't breathe and rack up another bill or stay home and die how is that fair??

		<p>I was diagnosed with disability at the age of 25. You can imagine how many medical bills I had and still do. After all these years now I'm not able to buy a house of credit to buy anything that I want or anything. I'm 57 years old now. And have nothing to show for it because of my medical history credit that lived with me the last 34 years. I finally get an opportunity to be by myself now that my daughter is grown has a family of her own but it wouldn't be nice if Grandma could have her own house so that her grandkids could come over and see her. I still would like to have a home so my grandkids are coming visit or we could have mommy daughter days. Or I could have church friends over and we could have cookies and tea. Lol I know that sounds ridiculous but you know what I'd like to have friends and I'd like to be able to have a house bringing home too. I've been disabled for 34 years I haven't been able to buy a thing. Unless of course I had someone co-signed for me. I'm glad that he's going to be doing that and giving all of us a chance to maybe buy something and have a future. Our government needs to grow up. And realize that we don't all need to have debt in this monopoly world we live in I'm tired of it too.</p>
Marjorie M	Englewood, FL	
Melanie L	Land O Lakes, FL	<p>Same with me. 90% of my credit bureau items is medical debt. It's ruined my credit for my entire life.</p>
Olimipa F	Jbphh, HI	<p>Same thing ambulance payment took years to pay back. I finally paid it off with my SSD money and now I have to rebuild my credit score in order for me to have points to buy a car may be a house or just rent a house for me and my family.</p>
Vicki P	Lake City, IA	<p>Health bills haunt me all the time, and I'm on disability, limited funds, and I am my 90 year old Mothers caregiver and I can't get a loan to buy a different vehicles to get back and forth to Drs. appts. I just had to put almost \$5000 into the car we drive. It's still not running right and every week I get Dr bills in the mail. I just went to the Dr yesterday because I had a stroke and didn't know it. Now I'm really stuck. I'm 65 and the stress of my credit just keeps me down.</p>
Darrell C	Idaho Falls, ID	<p>Yes the very same thing I am still dealing with it to this day they need to really change the way they do our credit score as well it's rigged system to keep us down and at their mercy</p>

Susan G	Springfield, IL	Cancer diagnosis in Feb 2015. I completely exhausted all of my retirement and savings, I had to return my brand new vehicle and haven't been able to afford buying one. I was disabled until recently. While on disability I was not able to pay all my bills so I had judgements in court and had to pay 3 different collection accounts which were then placed on my credit reports. My income on SS isn't even half what I was making when working. I have worked very hard for the last 8 years to finally get those bills paid off and was down to just one account under \$1,000. I received a letter from the collection company that they received a bill from 2018 for approximately \$1,500. The doctors office didn't even contact me for payment, they just sent it straight to collections. I just can hardly hold my head above water. SOMETHING'S got to change!
Julie A	Bourbonnais, IL	I'll never understand why credit reporting on normal bills qualifies as credit. The medical bill did not extend me credit. They did not extend me credit. If that were the case, they would've checked my credit rating before careful consideration of medical services performed. It's ridiculous!
Janice R	Evansville, IN	I just want the old medical bills to disappear
Robert R	Ottawa, KS	Yes, it doesn't make sense. I, too, have a number of medical bills on my report that I haven't been able to pay off. It definitely has had an impact on my ability to make certain purchases along with my car insurance. Thank you for your attention to this subject
Gay R	Scottsville, KY	Everyone including the upper class is just one bad accident or serious illness away from bankruptcy. I worked in medical billing and collections for over 30 years and I saw it first hand.
Charnette J	New Orleans, LA	I had a miscarriage in the 5th month due to the doctor misdiagnosis of preeclampsia. Stayed in ICU for 3 months and got billed for everything, \$100k. Took years to find a job in my accounting field because job's pulled my credit report and lost out on opportunities because of that
Angela J	Saco, ME	This debt is not mine, it's my 19 year old daughter. Her father took her off his insurance and didn't tell her. She was in a horrible car accident and needed surgery. She used now \$83,000 in medical debt and just starting out in life. Her credit is highly affected and she's broken emotionally.