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B-337010

January 29, 2025

The Honorable Tim Scott
Chairman
The Honorable Elizabeth Warren
Ranking Member
Committee on Banking, Housing, and Urban Affairs
United States Senate

The Honorable French Hill
Chairman
The Honorable Maxine Waters
Ranking Member
Committee on Financial Services
House of Representatives

Subject: *Consumer Financial Protection Bureau: Prohibition on Creditors and Consumer Reporting Agencies Concerning Medical Information (Regulation V)*

Pursuant to section 801(a)(2)(A) of title 5, United States Code, this is our report on a major rule promulgated by the Consumer Financial Protection Bureau (CFPB) titled "Prohibition on Creditors and Consumer Reporting Agencies Concerning Medical Information (Regulation V)" (RIN: 3170-AA54). We received the rule on January 13, 2025. It was published in the *Federal Register* on January 14, 2025. 90 Fed. Reg. 3276. The effective date of the rule is March 17, 2025.

According to CFPB, it is issuing a final rule amending Regulation V, which implements the Fair Credit Reporting Act (FCRA), concerning medical information. CFPB stated that FCRA prohibits creditors from considering medical information in credit eligibility determinations. CFPB also stated that it is removing a regulatory exception that had permitted creditors to obtain and use information on medical debts notwithstanding this statutory limitation. CFPB stated further that the rule also provides that a consumer reporting agency generally may not furnish to a creditor a consumer report containing information on medical debt that the creditor is prohibited from using.

Enclosed is our assessment of CFPB's compliance with the procedural steps required by section 801(a)(1)(B)(i) through (iv) of title 5 with respect to the rule. If you have any questions about this report or wish to contact GAO officials responsible for the evaluation work relating to the subject matter of the rule, please contact Charlie McKiver, Assistant General Counsel, at (202) 512-5992.

Shirley A. Jones
Managing Associate General Counsel

Enclosure

cc: Edward J. Lovett
Senior Congressional Liaison
Consumer Financial Protection Bureau

REPORT UNDER 5 U.S.C. § 801(a)(2)(A) ON A MAJOR RULE
ISSUED BY THE
CONSUMER FINANCIAL PROTECTION BUREAU
TITLED
“PROHIBITION ON CREDITORS AND CONSUMER REPORTING AGENCIES
CONCERNING MEDICAL INFORMATION (REGULATION V)”
(RIN: 3170-AA54)

(i) Cost-benefit analysis

The Consumer Financial Protection Bureau (CFPB) prepared an analysis of the costs and benefits for this rule. 90 Fed. Reg. 3276, 3317–3345 (Jan. 14, 2025). According to CFPB this rule is likely to confer a number of benefits, and limited costs, on consumers and covered persons. 90 Fed. Reg. at 3323. For example, CFPB stated that it expects that consumers will experience increased access to credit and a reduction in the use of consumer reporting to induce payment of medical collections, including those that may be inaccurate. *Id.* CFPB also stated that it expects that the marginal loans provided under the rule would be similarly profitable to those that creditors provide at baseline, leading to increased revenue for creditors. *Id.* CFPB stated further that it does not expect that consumers would be significantly less likely to pay their bills under the rule, and as a result, expects limited impacts on the revenues of health care providers and debt collectors. *Id.*

(ii) Agency actions relevant to the Regulatory Flexibility Act (RFA), 5 U.S.C. §§ 603–605, 607, and 609

CFPB determined that this rule will not have a significant economic impact on substantial numbers of small entities and prepared a Final Regulatory Flexibility Analysis. 90 Fed. Reg. at 3346.

(iii) Agency actions relevant to sections 202–205 of the Unfunded Mandates Reform Act of 1995, 2 U.S.C. §§ 1532–1535

As an independent regulatory agency, CFPB is not subject to the Act.

(iv) Other relevant information or requirements under acts and executive orders

Administrative Procedure Act, 5 U.S.C. §§ 551 *et seq.*

On June 18, 2024, CFPB issued a proposed rule. 88 Fed. Reg. 51682. CFPB stated that it received comments from various interested parties. 90 Fed. Reg. at 3282. CFPB responded to comments in the rule. *Id.*

Paperwork Reduction Act (PRA), 44 U.S.C. §§ 3501–3520

CFPB determined that this rule contains no new information collection requirements under the Act. 90 Fed. Reg. at 3351.

Statutory authorization for the rule

CFPB promulgated this rule pursuant to section 5512 of title 12 and sections 1681b and 1681e of title 15, United States Code.

Executive Order No. 12866 (Regulatory Planning and Review)

As an independent regulatory agency, CFPB is not subject to the Order's regulatory review procedures.

Executive Order No. 13132 (Federalism)

As an independent regulatory agency, CFPB is not subject to the Order.