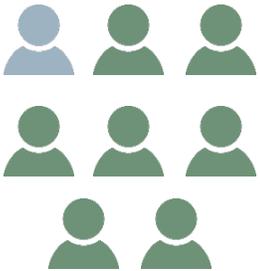


Support House Bill 23-1126: Medical Debt Credit Reporting Protections

Updating our credit reporting laws to give Coloradans
with medical debt a fair chance

Updated Jan 30, 2023

Bill Sponsors: Rep. Naquetta Ricks & Sen. Tony Exum



One in 8 Coloradans has medical debt — over 700,000 people statewide...

Currently, when someone cannot afford a medical expense and their bill is sent to collections, that debt — “medical debt” — may be included on their credit report. This, in turn, can harm the person’s credit score.

Banks, landlords, and even some employers use credit reports and credit scores when making decisions about consumers.

As a result, people with medical debt experience barriers wherever credit reports and credit scores are used.

...but medical debt is a bad predictor of creditworthiness!

Data shows that people with medical debt make on-time payments at significantly higher rates than their credit scores suggest.

Credit reporting of medical debt exacerbates inequities.

Marginalized communities — including people of color, lower-income people, people with disabilities, women, and LGBTQ+ people — are disproportionately impacted by medical debt. Credit reporting of medical debt amplifies existing disparities.

Medical debt information on credit reports is often wrong.

Sometimes the amount listed is for the wrong amount or has already been paid. Sometimes, the report includes bills that the consumer never even owed. Removing medical debt from credit reports reduces the prevalence of these potentially catastrophic errors.

Medical debt on credit reports creates barriers to:

- **credit**, like mortgages, car loans, and small business loans
- **rental housing**
- **insurance**
- **utilities**
- **employment**

No Coloradan should face barriers to housing, economic stability, and opportunity simply because they needed medical care.

What does HB23-1126 do?



Stops medical debt from being included on credit reports by adding it to the list of types of information that consumer reporting agencies are not allowed to report.



Ensures more Coloradans' personal information is protected by narrowing the circumstances when otherwise protected information can be shared.



Informs impacted consumers about their new rights by requiring debt collectors to notify Coloradans with medical debt that medical debt can no longer be included on credit reports, except under narrow circumstances.

Supporters



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