



CBAI’s Opposition to Recent CFPB Rulemaking Highlighted in American Banker Article

CBAI’s opposition to a proposed CFPB rule, which would prohibit the reporting of medical debt and delinquencies and their consideration by creditors in loan underwriting, was highlighted in a September 5th American Banker article.

The article noted widespread opposition to the CFPB’s proposal.

Banks and debt collectors have urged the CFPB to withdraw its medical-debt proposal. They claim the bureau failed to conduct adequate research and didn't take into account the economic impact that the proposed rule would have on medical providers, particularly small doctors' practices.

Community bankers say the CFPB should focus on ensuring the accuracy of medical debts being reported to the credit bureaus. Bankers say the CFPB's plan would thwart banks' ability to comply with federal requirements to accurately assess a borrower's ability to repay a loan.

“Not focusing on the root cause of the problem is not solving the problem and is actually harming the safety and soundness of community banks,” said David Schroeder, senior vice president of federal governmental relations at the Community Bankers Association of Illinois, who called the CFPB's proposal *“misguided and misdirected rulemaking.”*

CBAI’s position on this issue was drawn from [its recent comment letter to the Bureau](#).

CBAI sincerely hopes the CFPB will withdraw this flawed rulemaking proposal and permit community banks to fulfill their regulatory responsibility, and the necessity to accurately calculate a borrower’s ability to repay.