



H.R. 2547, the “Comprehensive Debt Collection Improvement Act”

Topline: H.R. 2547 is Democrats’ next step toward their socialist takeover of our financial system. Under the guise of “consumer support and protection” this bill will make credit more expensive for borrowers, make it harder for small businesses to collect payments for services provided, and reverse technology solutions that benefit borrowers and businesses.

Look familiar? While Democrats will try to sell this as necessary action following the economic impacts of COVID, H.R. 2547 is actually a redo of several partisan bills from last Congress. Democrats have fully embraced the pandemic as a “tremendous opportunity to restructure things to fit their vision.”

Dismantles our free market

- H.R. 2547 will eliminate a fundamental part of our free market system—the ability to be paid for services provided in a timely manner.
 - Limiting the ability of a businesses and individuals to be repaid for services already provided will not benefit anyone.
 - This is especially true for small businesses who have been hit hardest by the pandemic shutdowns.

Increases the cost of healthcare

- H.R. 2547 will make healthcare more expensive, weakens our credit markets, and raises safety and soundness concerns for the financial system.
 - Preventing medical providers from seeking payment for their services is not a way to support consumers or our health care providers who have been on the frontlines fighting the COVID pandemic.
 - Ranking Member McHenry’s bill, H.R. 1645, would allow medical debt that results from a non-elective service and is repaid to be eliminated from a consumer’s credit report—supporting consumers and the healthcare industry.

Undoes efforts to modernize payment collection

- H.R. 2547 undermines the CFPB’s October 2020 Final Rule and ignores the fact that consumers can opt-out of updated means of communications used by consumers and debt collectors, including emails and text messages.
- The bill prevents businesses from using email or text message to collect payment without explicit prior consent from the consumer.
 - Consumers should be able to communicate about their payment options privately and in the methods most consumers prefer to communicate these days.

Republicans and Democrats agree, consumers should not be subject to harassing or abusive debt collection practices. The Fair Debt Collection Practices Act (FDCPA) ensures that consumers are protected from illegal practices while at the same time ensures businesses are paid for services rendered.

Bottomline: H.R. 2547 limits the ability of individuals and businesses to seek payment for services provided, which will undermine the underwriting system and increase risk to the financial system. This ultimately makes extending credit more expensive for all borrowers and may push the lowest income borrowers out of the system entirely.