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**U.S. HOUSE COMMITTEE ON FINANCIAL SERVICES**  
**– CHAIRWOMAN MAXINE WATERS –**  
**H.R. 2547, THE COMPREHENSIVE DEBT COLLECTION**  
**IMPROVEMENT ACT**  
**SECTION-BY-SECTION ANALYSIS**

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**Section 1. Short Title**

- This section states that the title of the bill is the Comprehensive Debt Collection Improvement Act.

**TITLE I—SMALL BUSINESS LENDING FAIRNESS ACT**

**Sec. 101. Short title.**

- This section states that the short title of Title I is the “Small Business Lending Fairness Act.”

**Sec. 102. Obligor transactions.**

- This section amends Chapter 2 of the Truth in Lending Act (15 U.S.C. 1631 et seq.) by prohibiting any person – including consumers and small businesses – from directly or indirectly taking or receiving from another person – including lenders and merchant cash advance companies – an obligation that constitutes or contains a cognovit or confession of judgment, warrant of attorney, or other waiver of the right to notice and the opportunity to be heard in the event of a lawsuit or judicial process.

**Sec. 103. Enforcement of security interests.**

- This section amends Section 103 of TILA (15 U.S.C. 1602) by clarifying the definition of “debt” as “any obligation of a person to pay to another person money.” This definition would apply regardless of whether the obligation is absolute or contingent. This definition includes the right of the person providing the money to an equitable remedy for breach of performance if the breach gives rise to a right to payment. This definition would also apply regardless of whether the obligation or right to an equitable remedy has been reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, recourse, nonrecourse, secured, or unsecured.

**TITLE II —FAIR DEBT COLLECTION PRACTICES FOR SERVICEMEMBERS ACT**

**Sec. 201. Short title.**

- This section states that the short title of Title II is the “Fair Debt Collection Practices for Servicemembers Act.”

**Sec. 202. Enhanced protection against debt collector harassment of servicemembers.**

- This section prohibits debt collectors from threatening a servicemember with reducing their rank, having their security clearance revoked, or prosecuting them under the Uniform Code of Military Justice regarding an outstanding debt. This section also clarifies these actions are an unfair practice under the FDCPA. In addition to active servicemembers, this section also covers an individual who has separated, discharged, or released from duty in the previous year.

## **Sec. 203. GAO study and report.**

- This section directs the Government Accountability Office (GAO) to conduct a study and submit a report to Congress within one year identifying the types of false, deceptive, misleading, unfair, abusive, and harassing debt collection practices experienced by servicemembers and making recommendations to eliminate these practices; identifying collection practices of creditors and debt collectors experienced by covered members; analyzing the effect of these practices on military readiness and any national security implications.

### **TITLE III—PRIVATE LOAN DISABILITY DISCHARGE ACT**

## **Sec. 301. Short title.**

- This section states that the short title of Title III is the “Private Loan Disability Discharge Act of 2021.”

## **Sec. 302. Protections for obligors and cosigners in case of death or total and permanent disability.**

- This section amends Section 140(g) of TILA to include a required discharge of private student loans in the case of permanent and total disability of the borrower. It adds the cosigner discharge in the case of the borrower’s permanent disability. It requires private lenders who are notified that the federal government has discharged the federal student loans of a borrower to discharge the private student loans of that same borrower. This section gives the CFPB Director the power to issue rules to implement these changes. This section uses the same definition for total and permanent disability as the standard for discharging federal student loans.

### **TITLE IV—CONSUMER PROTECTION FOR MEDICAL DEBT COLLECTIONS ACT**

## **Sec. 401. Short title.**

- This section states that the short title of Title IV is the “Consumer Protection for Medical Debt Collections Act.”

## ***Sec. 402. Amendments to the Fair Debt Collection Practices Act.***

- This section amends Sections 803 and 808 of the Fair Debt Collection Practices Act. Subsection (a) amends section 803 by adding a definition for medical debt.
- Subsection (b) makes it an unfair practice under the FDCPA for debt collectors to collect or attempt to collect medical debt owed before two years after the first payment is due.

## **Sec. 403. Prohibition on consumer reporting agencies reporting certain medical debt.**

- This section amends section 603 and 605(a) of the Fair Credit Reporting Act. Subsection (a) amends section 603 by adding a definition of medical debt and a medically necessary procedure.
- Subsection (b) bans an entity from reporting information related to a debt arising from a medically necessary procedure. It also requires a minimum one-year delay before adverse information is reported on any other medical debt.

#### **Sec. 404. Requirements for furnishers of medical debt information.**

- This section amends section 623 of the Fair Credit Reporting Act to require that the entity reporting the medical debt of a consumer to a consumer reporting agency will, prior to reporting the debt, send the consumer a disclosure that informs the consumer that medical debt may not be reported to a CRA until the end of the one year period of the medical debt statement or the last day a consumer made a payment on the medical debt and that the debt may never be reported if it arises from a medically necessary procedure. The entity must also send a notification to the consumer that says if the debt is paid or settled by the consumer or insurance company before the end of the one year period described above, the debt may not be reported to a CRA and that the consumer has the right to contact their insurance agency to determine debt coverage.

### **TITLE V—ENDING DEBT COLLECTION HARASSMENT ACT**

#### **Sec. 501. Short title.**

- This section states that the short title of Title V is the “Ending Debt Collection Harassment Act of 2021.”

#### **Sec. 502. Consumer protections relating to debt collection practices.**

- This section amends the Consumer Financial Protection Act of 2010 and FDCPA. Subsection (a)(1) amends section 1016(c) of the Consumer Financial Protection Act of 2010 (12 U.S.C. 5496) by requiring the CFPB’s semi-annual report to Congress to include an analysis of debt collection consumer complaints received by the Bureau, including a state-by-state breakdown of such complaints, and a list of enforcement actions taken against debt collectors during the preceding year.
- Subsection (a)(2) amends section 815(a) of FDCPA (15 U.S.C. 1692m) by requiring the CFPB’s annual report to Congress to include an analysis of the impact of electronic communications by debt collectors on consumer experiences with debt collection, including a consideration of consumer complaints about the use of electronic communications in debt collection.
- Subsection (b) amends section 1022 of the Consumer Financial Protection Act of 2010 (12 U.S.C. 5512) by prohibiting the CFPB Director from issuing any rule with respect to debt collection that allows a debt collector to send unlimited email and text messages to a consumer.
- Subsection (c) amends section 806 of the Fair Debt Collection Practices Act (15 U.S.C. 1692d) by prohibiting debt collectors from contacting consumers electronically, including by email or text message, without consent of the consumer, after such consent has been withdrawn, or more frequently than the consumer consents to be contacted.
- Subsection (d) amends section 809(a) of FDCPA (15 U.S.C. 1692g(a)) by ensuring that consumers receive notice of debt collection protections, regardless of whether that information is contained in the initial communication or the consumer has paid the debt.
- Subsection (e) amends section 814(d) of FDCPA (15 U.S.C. 1692l(d)) by prohibiting CFPB from prescribing rules that allow a debt collector to send unlimited electronic communications to a consumer. This amendment also requires CFPB to prescribe rules that require debt collectors to obtain consent directly from consumers before contacting them using a method other than by postal mail or by phone. Under the amendments made by this subsection, the CFPB is prohibited from waiving the requirements of the Electronic Signatures in Global and National Commerce Act. The amendments made by this section also require the CFPB to prescribe rules that allow consumers to opt out of any method of communication

that the debt collector uses to communicate with consumers, including a method for which such consumer had given prior consent.

## **TITLE VI—STOP DEBT COLLECTION ABUSE ACT**

### **Sec. 601. Short title.**

- This section states that the title of Title VI is the “Stop Debt Collection Abuse Act of 2021.”

### **Sec. 602. Definitions.**

- This section amends Section 803 of FDCPA to make certain technical edits, and to include, as part of the definition of debt, any obligation or alleged obligation by a consumer to pay a loan, an overpayment, a fine, a penalty, a restitution, a fee, or other money currently or originally owed to a Federal, State, territory, D.C. or local government, including any courts or agencies and includes, as part of the definition of debt collector, any person who regularly collects debts currently or originally owed to a government agency or court.

### **Sec. 603. Debt collection practices for debt collectors hired by Federal agencies.**

- This section amends the FDCPA to place a limitation on Federal agencies that are creditors to sell or transfer a debt covered by this legislation for a certain period of time. This section also requires the Federal agency to notify the consumer not fewer than 3 times when a debt is transferred or sold and requires these notices to not be sent out less than 30 days apart.

### **Sec. 604. Unfair practices.**

- This section amends Section 808 of the FDCPA to require that collections of any covered account can only occur when expressly authorized by the agreement creating the debt or permitted by law. Furthermore, when the amount is charged by the debt collector, this section, among other things, requires that the charge is reasonable in relation to the actual costs of the collection and authorized by a contract between the debt collector and a Federal, State, territory, D.C. or local government.

### **Sec. 605. GAO study and report.**

- This section requires GAO to conduct a study on the use of debt collectors by Federal, State, and local government agencies, and submit, within one year of enactment of this legislation, a report to Congress on the completed study.

## **TITLE VII—DEBT COLLECTION PRACTICES HARMONIZATION ACT**

### **Sec. 701. Short title.**

- This section states that the title of Title VII is the “Debt Collection Practices Harmonization Act.”

### **Sec. 702. Award of damages.**

- This section amends Section 813 of FDCPA to provide annual adjustments for inflation for the amount of damages that a debt collector who fails to comply with the provisions in the Act must pay. This section also allows for a court to award injunctive relief in a civil action alleging a violation of this title.

**Sec. 703. Prohibition on the referral of emergency individual assistance debt.**

- This section adds a section at the end of subchapter II of Chapter 3 of title 31, United States Code, “Prohibition on the referral of emergency individual assistance debt.” This section prohibits the Secretary of Treasury from contracting with any debt collector or other private party to collect overpayment of FEMA assistance, unless the overpayment occurred because of fraud or deceit that the recipient should have known about.

**TITLE VIII—NON-JUDICIAL FORECLOSURE DEBT COLLECTION CLARIFICATION ACT**

**Sec. 801. Short title.**

- This section states that the title of Title VIII is the “Non-Judicial Foreclosure Debt Collection Clarification Act.”

**Sec. 802. Enforcement of security interests.**

- This section amends Section 803(6) of FDCPA (15 U.S.C. 1692a(6)) by clarifying the definition of “debt collector” to not include “any person who uses any instrumentality of interstate commerce or the mails in any business the principal purpose of which is the enforcement of security interests.”

**TITLE IX—EFFECTIVE DATE**

**Sec. 901. Effective date.**

- This section states that the amendments of this bill shall take effect 180 days after the date of enactment.