Advocates Applaud VA Rule to Dramatically Reduce Unfavorable Debt on Veterans’ Credit Reports

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Rule establishes new minimum requirements for reporting medical debt and debt resulting from overpayment of benefits

WASHINGTON – In response to today’s announcement by the Department of Veterans Affairs (VA) that it has published a final rule in the Federal Register amending procedures for reporting debt to consumer reporting agencies, advocates at the National Consumer Law Center (NCLC) issued the following statements:

“Medical debt is not a good predictor of creditworthiness, and none of us should worry that an unexpected medical bill could damage our credit history,” said Jenifer Bosco, staff attorney at the National Consumer Law Center. “The Department of Veterans Affairs has sent a strong message that the credit reporting of medical debt is harmful, and it is time to end this harm to veterans with VA medical debt.”

“Because non-white veterans are more likely to use the VA for healthcare needs, this rule will go a long way toward protecting the financial well-being of veterans of color,” said Berneta Haynes, staff attorney at the National Consumer Law Center. “Veterans and military families should not need to worry that seeking medical care or receiving an overpayment of benefits could prohibit them from renting a house or obtaining an auto loan.”

“The VA is doing the right thing with this rule. We hope other healthcare providers follow its lead and stop damaging the financial health of their patients by allowing medical debt to be reported to credit bureaus,” said Chi Chi Wu, staff attorney at National Consumer Law Center.