Legal Experts Decry Credit Bureaus’ Lawsuit to Invalidate Maine Laws Protecting Consumers from Medical Debt and Economic Abuse

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Boston - Last week, the Consumer Data Industry Association (CDIA) sued the State of Maine over two laws recently passed to protect consumers from unfair credit reporting practices. CDIA is a trade association for the credit reporting industry, the biggest players, which are Equifax, Experian and TransUnion.

The first Maine law helps consumers who are facing credit reporting damage from medical debts. It requires credit bureaus to wait 180 days before reporting a medical debt to a credit bureau and to suppress paid or settled medical debt.

“Medical debt is one of the worst financial issues affecting American consumers today, burdening families with unaffordable bills and constituting over half of the black marks for debt collection on credit reports,” stated National Consumer Law Center attorney Chi Chi Wu. “Millions of Americans have their family budgets, and their credit scores, ruined by out-of-control medical bills. Instead of helping consumers, the credit bureaus are suing to prohibit the State of Maine from providing a limited measure of relief to this terrible problem.”

Wu noted that the Maine law’s requirement that credit bureaus wait 180 days before reporting a medical debt is something that the companies already agreed to as part of a 2015 settlement with the Attorneys General of more than 30 states. Wu remarked, “It’s absolutely baffling that Equifax, Experian, and TransUnion are attempting to invalidate this law when they already agreed to one of its key terms. Why are they suing over a requirement they’re already supposed to follow? Is there a problem with following it?”

The second law that CDIA sued to invalidate gives domestic violence survivors the right to dispute debts that are the result of economic abuse.

“October is Domestic Violence Awareness month,” noted Angela Littwin, a University of Texas School of Law professor who has studied this issue. “So it’s ironic that the credit reporting industry is trying to gut a law enacted to help domestic violence survivors recover from financial abuse. By bringing this lawsuit, Equifax, Experian, and TransUnion are hurting survivors by insisting they continue to suffer from the effects of economic exploitation.”