



May 15, 2025

Dear Chair Sosa, Vice Chairs Chaichi and Osborne, and members of the House Commerce & Consumer Protection Committee

The Consumer Alliance of Oregon, composed of community-based organizations, nonprofits, subject matter experts, and national advocacy groups, champions the rights and interests of Oregon consumers. Our coalition prioritizes the needs of communities most harmed by predatory financial practices, including communities of color, low-income families, and older Oregonians.

The Consumer Alliance of Oregon urges your support of SB 605 A, Ending Credit Reporting on Medical Debt, with the proposed clarifying amendment. **The bill aims to address the serious issue of medical debt impacting Oregonians and ensure greater financial and health equity for all.**

Medical debt negatively impacts people's credit scores, even though major credit reporting agencies have already voluntarily removed some medical debt from credit reports and acknowledged that it is not a reliable indicator of someone's ability to pay future bills. Often, medical debt is sent to collections despite not being the individual's responsibility, as health insurance claims can take a long time to process.

SB 605 A would:

- Remove existing medical debt from credit reports.
- Prohibit debt collectors, hospitals, and other reporting entities from reporting medical debt to credit reporting agencies.
- Ensure the credit reporting ban includes credit reports used for employment and tenant screening.
- Include targeted healthcare credit cards, such as CareCredit, in this ban.

SB 605 A does not remove debt that is owed on behalf of the consumer, it improves access to affordable credit. Credit reports and scores determine a consumer's access to affordably priced credit cards, mortgages, car loans, and small business loans. By preventing the use of medical debt in tenant or employment screening, this bill will give Oregonians with medical debt a fighting chance to find jobs, secure housing, and get back on their feet. The CFPB found that removing medical debt from a credit report improves a score by 20 points, on average.

We urge your support of SB 605 A to provide Oregonians with protections so their credit isn't harmed by medical debt. Thank you for the opportunity to submit testimony and your

service to Oregon communities.

Sincerely,

Members of the Consumer Alliance of Oregon

Bienestar	Leukemia & Lymphoma Society	Reimagine Oregon
Centro Cultural	Micro Enterprise Services of Oregon	Suma
DevNW	NAYA Action Fund	Oregon Food Bank
Latino Community Association	Oregon Consumer League	Oregon Just Transition Alliance
Oregon Consumer Justice	Oregon Health Equity Alliance	SEIU
Disability Rights Oregon	OSPIRG	Neighborhood Partnerships