**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

ACA INTERNATIONAL and SPECIALIZED COLLECTION SYSTEMS, INC. *Plaintiffs*, v. CONSUMER FINANCIAL PROTECTION BUREAU and the Acting Director of the Consumer Financial Protection Bureau, 1700 G. St. NW, Washington, DC 20552 *Defendants.*	No. 4:25-CV-00094

MOTION TO INTERVENE AS DEFENDANTS

Pursuant to Rule 24(a) of the Federal Rules of Civil Procedure, Tzedek DC, New Mexico Center for Law and Poverty, David Deeds, and Harvey Coleman ("Proposed Intervenors") move to intervene as of right as party-defendants. In the alternative, pursuant to Rule 24(b) of the Federal Rules of Civil Procedure, Proposed Intervenors move to permissively intervene. This motion is supported by the attached memorandum of law and accompanying exhibits. Proposed Intervenors also attach a proposed order and their proposed answer to be filed if intervention is granted.

In addition, if this motion remains pending on February 14, 2025, Proposed Intervenors will file a proposed response in opposition to Plaintiffs' pending motion for preliminary injunction by the opposition deadline of February 14, 2025, also to be filed if intervention is granted.

Dated: February 12, 2025

Respectfully submitted:

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*Motions for admission *pro hac vice* forthcoming

CERTIFICATE OF SERVICE

I certify that on February 12, 2025, the foregoing document was filed on the Court's CM/ECF system which sent notification of such filing to all counsel of record.

/s/ *Carla Sanchez-Adams*

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MEMORANDUM OF LAW IN SUPPORT OF MOTION TO INTERVENE OF PROPOSED DEFENDANT-INTERVENORS NEW MEXICO CENTER ON LAW AND POVERTY, TZEDEK DC, DAVID DEEDS, AND HARVEY COLEMAN

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INTRODUCTION

The Consumer Financial Protection Bureau ("CFPB" or "Bureau"), pursuant to statutory authority granted to it by Congress, promulgated a rule to remove medical debt from consumer credit reports. That rule, titled Prohibition on Creditors and Consumer Reporting Agencies Concerning Medical Information (Regulation V) ("Medical Debt Rule" or "Rule"), 90 Fed. Reg. 3,276 (Jan. 14, 2025) (to be codified at 12 C.F.R. pt. 1022), removes an estimated $49 billion in medical debt from the credit reports of around 15 million Americans and will provide them easier access to credit, housing, and employment.[1] *See CFPB Finalizes Rule to Remove Medical Bills from Credit Reports*, CFPB Website (Jan. 7, 2025), https://www.consumerfinance.gov/about-us/newsroom/cfpb-finalizes-rule-to-remove-medical-bills-from-credit-reports/, attached as Ex. 2. The Rule provides meaningful, tangible benefits to Americans who have incurred medical debt and the organizations that serve them.

Medical debt, of course, will remain subject to collection by creditors and debt collectors. Nonetheless, ACA International and Specialized Collection Systems, Inc. (collectively "Plaintiffs"), a trade association of debt collectors and a debt collector, respectively, oppose the rule because it makes it harder for them to use coercive tactics to engage in the collection of medical debts. As debt collectors are well aware, inclusion of debt on a credit report poses a risk

[1] Although the Rule only applies to lenders making credit decisions, people often need a good credit score to access housing and employment, for example to pay a security deposit or first month's rent or to lease or buy a car to get to work. *See, e.g.*, Comment on Proposed Rule of Neighborhood Legal Services Program at 4 ("Medical debt collections reported on an individual's credit report can impact their ability to buy a home based upon the inability to secure a mortgage."), *available at* https://downloads.regulations.gov/CFPB-2024-0023-0951/attachment_1.pdf; Comment on Proposed Rule of National Disability Institute at 15 (consumer noting that medical debt impact on credit score made person "unable to purchase my own car, which drastically limited my employment and education opportunities."), *available at* https://downloads.regulations.gov/CFPB-2024-0023-1034/attachment_1.pdf.

to essential life needs such as housing and employment, as well as credit. One day after the final Rule was announced, Plaintiffs sued the Bureau to enjoin the Rule. Compl., ECF No. 1. The Bureau's deadline to respond to the motion is February 14, 2025. L.R. Civ. P. 7.

Prior to February 1, 2025, the Bureau vigorously defended the Rule, including through opposing a motion for preliminary injunction in another case filed by industry groups against the Rule. *See* Mem. Opp'n Mot. Prelim. Inj., *Cornerstone Credit Union League, et al. v. CFPB*, 4:25-cv-16 (E.D. Tex. Jan. 23, 2025). But the Bureau has recently reversed course. As of Saturday, February 8, 2025, newly installed CFPB Acting Director Russell Vought ordered all work at the Bureau to cease, including that all effective dates of all Rules be suspended and that no filings be made in any litigation, other than to seek a pause. *See* Email from Acting Director Vought, obtained from Philip Melanchthlon Wegmann (@PhilipWegmann), X, https://x.com/philipwegmann/status/1888409309937070128?s=46&t=I41S_6HTDCUVmJ5HUDfHw, attached as Ex. 1; Ryan Mac & Stacy Cowley, *Federal Financial Watchdog to Cease Activity*, N.Y. Times, Feb. 9, 2025, https://www.nytimes.com/2025/02/08/us/politics/cfpb-vought-staff-finance-watchdog.html. Also on Saturday night, Acting Director Vought posted on Elon Musk's social media platform X that the CFPB would be refusing its annual funding from the Federal Reserve. Ryan Mac and Stacy Cowley, *Federal Financial Watchdog to Cease Activity*, N.Y. Times, Feb. 9, 2025, https://www.nytimes.com/2025/02/08/us/politics/cfpb-vought-staff-finance-watchdog.html. On Sunday, all CFPB staff were ordered to work from home and the CFPB website homepage was no long available. *Id.* Acting Director Vought's actions follow his installation as Acting Director of the CFPB on Friday, February 7, and, that same day, Elon Musk's post of "RIP CFPB" on X after members of his "Department of Governmental Efficiency" (DOGE) physically entered the agency's headquarters. *Id.* On February 11, 2025, President Trump confirmed his goal of eliminating the CFPB. Kate Berry, *President Trump confirms his goal is to eliminate the CFPB*, Am. Banker, Feb. 11, 2025, https://www.americanbanker.com/news/president-trump-confirms-his-goal-is-to-eliminate-the-cfpb (video at 1:26).

This whirlwind of activity apparently seeking to dismantle the Bureau—and eliminate its defense of its lawfully enacted rules as well as all other activities—comes after the prior Acting Director's stop-work orders issued on February 3 and 4 and the CFPB's agreement to a delay of the effective date of the Medical Debt Rule in the *Cornerstone* case. *See* Not. of Relevant Dev'ts & Unopposed Mot. to Stay Proceedings, *Cornerstone Credit Union League, et al. v. CFPB*, 4:25-cv-16 (E.D. Tex. Feb. 5, 2025); Order, *Cornerstone Credit Union League, et al. v. CFPB*, 4:25-cv-16 (E.D. Tex. Feb. 6, 2025) (delaying the effective date of the Rule by 90 days); *see also* Stacy Cowley, Consumer bureau backs off legal fights as Treasury officials take charge, N.Y. Times, Feb. 6, 2025, https://www.nytimes.com/live/2025/02/06/us/president-trump-news?searchResultPosition=1#consumer-bureau-backs-off-legal-fights-as-treasury-officials-take-charge (noting that the Bureau "reversed course this week and dropped its opposition" to an injunction delaying the Rule).

Proposed Intervenors New Mexico Center on Law and Poverty (NMCLP), Tzedek DC, Harvey Coleman, and David Deeds seek to step in to defend the Rule to protect their own interests, since it seems apparent that the Bureau will not. Proposed Intervenors NMCLP and Tzedek DC are organizations that each work to advance economic security and who, through their work, support Americans who suffer from the impacts of medical debt on their credit reports. Proposed Interventors David Deeds—a Texas truck driver suffering from medical debt related to cancer treatment—and Harvey Coleman—a resident of our nation's capital whose credit profile reflects debt incurred from his young child's medical treatment—are individuals who will benefit from the implementation of the Rule. Each of the Proposed Intervenors moves to intervene to defend the Rule under Federal Rule of Civil Procedure 24(a)(2). Proposed Intervenors have acted promptly following the changes in Administration and Bureau leadership, making their motion timely. They seek to intervene to protect their legally cognizable interest in the matter that may be impaired by the disposition of this case. NMCLP and Tzedek DC each have a direct interest in preserving the Rule, which benefits their clients and constituencies, so that they can direct their limited resources to help their constituents and clients on matters other than addressing the impacts of medical debt on their credit reports; on the other hand, if the Rule is vacated or stayed, NMCLP and Tzedek DC will be required to devote their resources to addressing these impacts and will not be able to focus as much on their other efforts. Mr. Coleman and Mr. Deeds each have a direct interest in the Rule going into effect as planned, as it will eliminate medical debt from each of their credit reports that is currently negatively impacting their credit profiles and, as a result, their access to credit, housing, and employment, among other opportunities.

Alternatively, Proposed Intervenors seek permissive intervention under Federal Rule of Civil Procedure 24(b)(1)(B). Proposed Intervenors' motion is timely; and their defense shares issues of fact and law with that of Defendants Consumer Financial Protection Bureau and the current Acting Director ("Agency Defendants").

ARGUMENT

I. Proposed Intervenors Have a Right to Intervene.

In this Circuit, Proposed Intervenors are entitled to intervene as of right under Rule 24(a)(2) where (1) the motion to intervene is timely, (2) Proposed Intervenors assert an interest in the controversy, (3) the disposition of the case may impair or impede Proposed Intervenors' ability to protect that interest, and (4) that interest is not adequately represented by the existing parties. *La*

Union del Pueblo Entero v. Abbott, 29 F.4th 299, 305 (5th Cir. 2022) (citing *Texas v. United States*, 805 F.3d 653, 657 (5th Cir. 2015)). "Rule 24 is to be liberally construed." *Id.* (citing *Brumfield v. Dodd*, 749 F. 3d 339, 341 (5th Cir. 2014)); *NextEra Energy Cap. Holdings, Inc. v. D'Andrea*, No. 20-50168, 2022 WL 17492273, at *2 (5th Cir. Dec. 7, 2022). Courts "allow intervention where no one would be hurt and the greater justice could be attained." *John Doe #1 v. Glickman*, 256 F.3d 371, 375 (5th Cir. 2001) (internal citation omitted); *see also La Union*, 29 F.4th 305 (noting "our policy favoring intervention" and the intervenor's "minimal burden" (internal marks and citation omitted)). Proposed Intervenors here easily meet each of the four conditions for intervention as of right.

A. This intervention motion is timely.

Proposed Intervenors' motion is timely. Rule 24(a)(2)'s timeliness requirement considers: (1) how long the potential intervenor knew or reasonably should have known of her stake in the case; (2) the prejudice, if any, the existing parties may suffer because the potential intervenor failed to intervene when she knew or reasonably should have known of her stake in that case; (3) the prejudice, if any, the potential intervenor may suffer if the court does not let her intervene; and (4) any unusual circumstances. *Glickman*, 256 F.3d at 376. The "timeliness clock" begins to run when a proposed intervenor knew or should have known of its stake in the subject case or when it knew that its stake would not be protected by the matter's existing parties, *not* when it first learned of the existence of the subject action. *Id.* at 376-78; *see also Stallworth v. Monsanto Co.*, 558 F.2d 257, 267 (5th Cir. 1977). Proposed Intervenors demonstrate timeliness under these considerations.

Proposed Intervenors "sought to intervene 'as soon as it became clear' that [their] interests 'would no longer be protected' by the parties in the case." *Cameron v. EMW Women's Surgical Ctr., P.S.C.*, 595 U.S. 267, 279 (2022) (quoting *United Airlines, Inc. v. McDonald*, 432 U.S. 385, 394 (1977)) (allowing intervention even after appellate decision was rendered, shortly after learning that the state official would cease defending the rule and within the timeframe to seek *en banc* review). Timeliness analyses are "'contextual,' and should not be used as a 'tool of retribution to punish the tardy would-be intervenor, but rather [should serve as] a guard against prejudicing the original parties by the failure to apply sooner.'" *Ross v. Marshall*, 426 F.3d 745, 754 (5th Cir. 2005) (quoting *Sierra Club v. Espy*, 18 F.3d 1202, 1205 (5th Cir. 1994)). Proposed Intervenors have acted promptly to respond to the apparent change in the Bureau's position on the outcome of the Rule. Further, their intervention at this stage would cause no prejudice to the parties.

Within the past week—and especially within the past few days—the federal government has made its hostility to the work of the CFPB and the Rule clear. Proposed Intervenors have acted promptly in light of the recent developments at the CFPB and the impact of those developments on Proposed Intervenors' interests in this action. The Trump Administration's position could not affect the government's litigation positions until after January 20, 2025. Even after President Trump's inauguration, the CFPB remained under the same leadership that issued the Rule. Proposed Intervenors reasonably—and, as indicated by the government's continued defense of the Rule in *Cornerstone*—relied on the government's "continued defense of the [Rule]." *Cook Cnty. v. Texas*, 37 F.4th 1335, 1341-42 (7th Cir. 2022), *cert. denied sub nom.* 143 S. Ct. 565 (2023). On February 1, 2025, however, President Trump fired CFPB Director Rohit Chopra. *See* Stacy Cowley, *Trump Administration Fires Consumer Bureau Chief*, N.Y. Times, Feb. 1, 2025, https://www.nytimes.com/2025/02/01/business/cfpb-rohit-chopra.html. Shortly thereafter, President Trump's first Acting Director issued a directive for the Bureau to cease all activities, and on February 5, the Bureau reversed its prior position and sought a court order delaying the effective date of the Medical Debt Rule. While the stated purpose of that action was to provide the Bureau time to review its next steps, subsequent activities, including now-Acting Director Vought's refusal of annual funding and expansion of the stop work order, make it clear that Intervenors can no longer "count on [the government] to defend the challenged regulation . . . [and] must be allowed to intervene to ensure the regulation's continued defense." *Cook Cnty. v. Mayorkas*, 340 F.R.D. 35, 45 (N.D. Ill. 2021).

Proposed Intervenors filed this motion promptly, a mere seven days after the Bureau acquiesced to a delay in the effective date of the Rule and four days after Acting Director Vought refused the Bureau's annual funding allocation and expanded the prior stop work order. Any earlier intervention would have been unnecessary. This motion is thus well within the lengths of time this Circuit has deemed timely. *See Rotstain v. Mendez*, 986 F.3d 931, 938 (5th Cir. 2021) (citing Fifth Circuit precedent treating intervention as timely where intervenors delayed three weeks, one month, thirty-seven days, and forty-seven days past the accrual of their interest); *Edwards v. City of Houston*, 78 F.3d 983, 1000-01 (5th Cir. 1996) (citing case where five month lapse found not unreasonable and noting that most cases rejecting interventions as untimely concern motions filed after final judgment is entered).

Intervention will cause no prejudice to the Court or the parties in this matter—the "most important consideration" in evaluating timeliness. *McDonald v. E.J. Lavino Co.*, 430 F.2d 1065, 1073 (5th Cir. 1970); *see also Glickman*, 256 F.3d at 378 ("Prejudice must be measured by the delay in seeking intervention, not the inconvenience to the existing parties of allowing the intervener to participate in the litigation" (quoting *Sierra Club v. Espy*, 18 F.3d 1202, 1206 (5th Cir. 1994))). Proposed Intervenors are not seeking to modify any pleading or briefing schedules or any deadlines in this matter. To the contrary, Proposed Intervenors seek to intervene in time to timely oppose Plaintiffs' motion for preliminary injunction by the February 14, 2025, opposition deadline (or any later deadline set by the Court) and thereby assist the Court in reaching a reasoned decision on that matter. This is necessary because, pursuant to the Acting Director's directive, it is likely that the Bureau will take no action in this litigation other than to possibly seek a stay.[2] *See* Ex. 1. Should intervention be granted (and even if the motion remains pending when other deadlines occur), Proposed Intervenors will file all briefs on the date the government's briefs would otherwise have been due. The only consequences that intervention will have for Plaintiffs "are those commonly associated with defending a ruling or judgment on appeal." *Ross*, 426 F.3d at 756. Such "inconveniences" do not constitute sufficient prejudice to deny intervention, *id*., and, in any event, were not created by the, at most, seven calendar days between Proposed Intervenors' interest diverging from that of the government and filing this motion.

B. Proposed Intervenors each have legally protectable interests in the existence and effective enforcement of the Medical Debt Rule.

Proposed Intervenors David Deeds and Harvey Coleman are individuals who are currently suffering the impacts of medical debt appearing on their credit reports. The outcome of this litigation will impact their credit profiles and, as a result, their ability to access housing, employment, their insurance rates, the credit limits, other forms of credit, and numerous other areas of their lives. Proposed Intervenors Tzedek DC and New Mexico Center on Law and Poverty serve and advocate for Americans who are impacted by medical debt, and the outcome of this litigation will impact where they are able to direct their limited resources to further their core missions. If the government fails to defend the Rule, Intervenors must.

To successfully intervene, an intervenor must have a "direct, substantial, legally protectable interest" in a case. *Edwards v. City of Houston*, 78 F.3d 983, 1004 (5th Cir. 1996) (en

[2] The motion for preliminary injunction has not been mooted by the *Cornerstone* ruling because it seeks a delay beyond the ninety-day delay granted in that matter. To the extent that it is modified to simply seek a ninety-day delay or otherwise held in abeyance until the end of that stay, Proposed Intervenors believe it would be moot.

banc) (quoting *New Orleans Pub. Serv., Inc. v. United Gas Pipe Line Co.*, 732 F.2d 452, 463 (5th Cir. 1984)). This is not a demanding standard: "an interest is sufficient if it is of the type that the law deems worthy of protection, even if the intervenor does not have an enforceable legal entitlement or would not have standing to pursue her own claim." *Texas*, 805 F.3d at 659. Rule 24(a) recognizes a broad range of interests. For example, the Fifth Circuit allowed intervention on the basis of petition organizers' longstanding advocacy against their mayor and city council. *City of Houston v. Am. Traffic Sols., Inc.*, 668 F.3d 291, 294 (5th Cir. 2012).

"The interest requirement may be judged by a more lenient standard if the case involves a public interest question or is brought by a public interest group." *Brumfield v. Dodd*, 749 F.3d 339, 344 (5th Cir. 2014) (internal citation omitted). "Rule 24(a)(2) does not require 'that a person must possess a pecuniary or property interest to satisfy the requirement of Rule 24(a)(2).'" *La Union*, 29 F.4th at 305 (quoting *Mothersill D.I.S.C. Corp. v. Petroleos Mexicanos, S.A.*, 831 F.2d 59, 62 (5th Cir. 1987)). Prospective interference with access to opportunities can constitute a legally protected interest; and "the 'intended beneficiary of a government regulatory system' has a legally protected interest in a case challenging that system." *NextEra Energy Cap. Holdings, Inc. v. D'Andrea*, No. 20-50168, 2022 WL 17492273, at *3 (5th Cir. Dec. 7, 2022) (quoting *Wal-Mart Stores v. Tex. Alchoholic Beverage Comm'n*, 834 F.3d 562, 567-69 (5th Cir. 2016), and citing numerous cases). In short, "[t]he 'interest' test is primarily a practical guide to disposing of lawsuits by involving as many apparently concerned persons as is compatible with efficiency and due process." *Ceres Gulf v. Cooper*, 957 F.2d 1199, 1203 n.10 (5th Cir. 1992) (quoting *Nuesse v. Camp*, 385 F.2d 694, 700 (D.C. Cir. 1967)).

Here, Mr. Coleman and Mr. Deeds are clearly intended direct beneficiaries of the Rule. *See NextEra Energy Cap. Holdings, Inc. v. D'Andrea*, 2022 WL 17492273, at *3; *see also CFPB*

Finalizes Rule to Remove Medical Bills from Credit Reports, CFPB Website (Jan. 7, 2025), https://www.consumerfinance.gov/about-us/newsroom/cfpb-finalizes-rule-to-remove-medical-bills-from-credit-reports/ (stating that the goal of the Rule is to "protect consumers" like Mr. Coleman and Mr. Deeds "from harms from medical debt"), attached as Ex. 2. The Rule further directly impacts Mr. Coleman's and Mr. Deeds' access to credit opportunities, such that his interests are directly impacted. *See NextEra Energy Cap. Holdings, Inc.*, 2022 WL 17492273, at *3 (citing cases).

David Deeds is a 62-year-old Texas resident and truck driver. Deeds Dec. ¶¶ 1, 3, attached as Ex. 3. Mr. Deeds voted for President Trump in the past three presidential elections, but he supports the Rule and believes that medical debt should not be included in credit scores, in part because of his own experience. *Id.* ¶ 17. Over more than a decade, Mr. Deeds worked hard to improve his credit after a period of homelessness. *Id.* ¶ 9. Mr. Deeds' credit profile is extremely important to him because of its necessity in obtaining housing, transportation, and employment, and to make him feel secure that he will never be homeless again. *Id*. ¶¶ 9, 15. As of 2023, Mr. Deeds had a good credit score and was current on his bills, but in 2024, he was diagnosed with pancreatic cancer. *Id.* ¶¶ 4-8. As the result of his cancer treatment and related surgeries, Mr. Deeds incurred substantial medical debt. *Id.* ¶¶ 4-7, 10-12. Despite attempting to pay these debts, he recently received a $60,000 bill for his cancer surgery. *Id.* ¶ 11. While this debt is not yet reflected on his credit report, he is very concerned that it will be in the near future if the Rule does not go into effect. *Id.* ¶¶ 11, 13. Another medical debt related to Mr. Deeds' treatment does appear on his credit report, and he believes it has contributed to his lower credit score and, as a result, his denial of credit to make necessary home repairs. *Id.* ¶¶ 14-15. All of this has emotionally impacted Mr. Deeds. *Id.* ¶¶ 15-16. Implementation of the Rule will directly help Mr. Deeds by improving his credit profile and making it easier for him to obtain credit, maintain his home, and provide him with security and peace of mind. *Id.* ¶ 16.

Harvey Coleman's credit report includes a medical debt in collections of about $1,300 related to a medical emergency faced by his young son, even though his son was covered by Medicaid at the time. Coleman Dec. ¶¶ 6-8, attached as Ex. 4. Mr. Coleman was denied financing for a cell phone—a particularly critical item to access services and participate in the economy—as a result, in part, of this debt appearing on his credit report. *Id.* ¶ 9. Mr. Coleman is making affirmative efforts, through a financial counseling program, to improve his credit; if the Rule goes into effect, this will help with these efforts. *Id.* ¶ 10. The Rule will remove the derogatory medical debt from Mr. Coleman's credit report and will enable Mr. Coleman to more easily access housing, credit, and employment. *Id.* ¶ 11.

Tzedek DC and NMCLP also each have an interest in the Rule, because it will make their pursuit of their missions and core work easier and allow them to conserve resources for other aims. "Non-property interests are sufficient to support intervention when, like property interests, they are concrete, personalized, and legally protectable." *Texas*, 805 F.3d at 658; *see Jurisich Oysters, LLC v. U.S. Army Corps of Eng'rs*, No. CV 24-106, 2024 WL 3639528, at *1 (E.D. La. Aug. 2, 2024) (finding environmental advocacy groups interest in an action about a National Marine Fisheries Service preservation project based on "local concerns for restoration and protection of the marshlands, people, animals, fisheries, and plants of southeastern Louisiana" sufficient to allow intervention), *on reconsideration*, No. CV 24-106, 2024 WL 4346410 (E.D. La. Sept. 30, 2024) (allowing environmental groups to intervene base on their particularized interest in local preservation). Tzedek DC and NMLCP, as public interest groups that may be subject to a more lenient standard for intervention, thus have more than a generalized preference in how this case is decided and thus have a "stake in the matter" supporting intervention. *Texas*, 805 F.3d at 657 ("the inquiry turns on whether the intervenor has a stake in the matter that goes beyond a generalized preference that the case come out a certain way").

Tzedek DC is a non-profit organization with a mission of safeguarding the legal rights and financial health of DC residents who face the consequences of debt collection and credit-related obstacles, including those arising from medical debt. Levinson-Waldman Dec. ¶ 3, attached as Ex. 5. Because of Tzedek DC's limited resources, it must regularly make difficult decisions about how to direct those resources to advance its mission; when one issue is resolved, Tzedek DC can shift its resources to other priorities. *Id.* ¶ 5. As part of its work, Tzedek DC has a Medical Debt Project that provides legal and financial counseling specifically around medical debt collection issues, including credit reporting. *Id.* ¶¶ 7-9. Tzedek DC focuses substantial financial resources and staff time on this work and budgeted this year with the expectation of the Rule going into effect, thereby decreasing its workload around medical debt credit reporting. *Id.* ¶¶ 9-10. If the Rule does not go into effect, Tzedek DC will likely exceed its budget for the project, leading to the redirection of funds from other projects. *Id.* ¶ 10. Tzedek DC provides legal services, including helping clients dispute credit reporting of medical debt and representing clients who are pressured to pay alleged medical debt over other bills to avoid the impacts on their credit. *Id.* ¶¶ 11-12. Tzedek DC further provides financial counseling to clients who are impacted by medical debt credit reporting, including advising clients about addressing medical debt on their credit reports to improve their credit and advising clients on how to budget when they cannot access credit as the result of their credit scores. *Id.* ¶¶ 13-15. The need for Tzedek DC's legal and financial counseling services focused on medical debt tradelines would be eliminated by the Rule, which is reflected in Tzedek DC's budget. *Id.* ¶¶ 10-15. In addition, Tzedek DC engages in community outreach and education;

if the Rule does not go into effect, Tzedek DC will have to remove other items from its curriculum and print different material to ensure that it continues to cover medical debt credit reporting. *Id.* ¶¶ 16-17. In short, if the Rule is upheld, Tzedek DC will be able to redirect resources from medical debt tradeline-related work to other work that advances its mission. *Id.* ¶¶ 10, 18.

The New Mexico Center on Law and Poverty (NMCLP) is a non-profit organization with a mission of advancing economic and social justice, including by ensuring that every New Mexican has access to quality, affordable healthcare and remains free of medical debt and the impacts of medical debt collection. Manne Dec. ¶¶ 5, 7, attached as Ex. 6. Because of NMCLP's limited resources, it must regularly make difficult decisions about how to direct those resources to advance its mission. *Id.* ¶ 6. When one issue is resolved through legal or regulatory change, NMCLP can shift its resources to other priority areas that it has previously not been able to address. *Id.* NMCLP advocated for the recent passage of a state law that imposes requirements on medical debt collection in New Mexico, but the effectiveness of that statute is undermined by medical debt credit reporting. *Id.* ¶¶ 7-9. As a result, NMCLP has had to devote resources to combat the impacts of medical debt credit reporting, including by paying staff members to conduct community outreach and education related to the impacts of medical debt credit reporting. *Id.* ¶ 10. If the Rule becomes effective as intended, NMCLP will be able to devote these resources to other activities, but if the Rule is vacated, NMCLP will be required to continue to expend these resources in this manner. *Id*. In addition, NMCLP directly represents New Mexicans in litigation challenging the harms stemming from medical debt credit reporting; expenditure of resources on litigation around this issue will no longer be necessary if the Rule goes into effect. *Id.* ¶ 11. Finally, NMCLP will be devoting resources to advocating for passage of a state law to remove medical debt from credit reporting and other advocacy to mitigate the harms of medical debt credit reporting, if the Rule is not implemented. *Id.* ¶ 12. The impact of the Rule would also be able to be felt in NMCLP's housing and health care access work. *Id.* ¶¶ 13-14. Overall, the Medical Debt Rule materially benefits NMCLP's mission and work, and if the Rule does not go into effect, NMCLP will have to reallocate its limited resources accordingly.

Proposed Intervenors have an interest in this matter as consumers who have applied for credit and organizations representing the interests of consumers. *Texas*, 805 F.3d at 659 (noting that interest required of intervenor defendant is less than that required for plaintiff's standing). Thus, as set forth above, Proposed Intervenors have interests in the outcome of this litigation that clearly meet the standard for Rule 24(a)(2).

C. Proposed Intervenors' interests will be impaired if Plaintiffs succeed.

As detailed above, Proposed Intervenors have a significant interest in having the Medical Debt Rule take effect, precisely the outcome Plaintiffs seek to prevent. A robust defense of the Rule is necessary to protect this interest. Without intervention, there is a meaningful risk that the government will not adequately defend the Rule in this litigation, which in turn increases the likelihood of an adverse outcome. It is also reasonable to expect that the government could acquiesce to an adverse ruling or efforts by Plaintiffs to delay via this litigation timely implementation of the Rule, both of which would impair Proposed Intervenors' interests. As the Fifth Circuit has explained:

> The impairment requirement does not demand that the movant be bound by a possible future judgment, and the current requirement is a great liberalization of the prior rule. Though the impairment must be practical and not merely theoretical, the parties seeking to intervene need only show that if they cannot intervene, there is a possibility that their interest *could* be impaired or impeded.

NextEra Energy Cap. Holdings, Inc., 2022 WL 17492273, at *4 (quoting *Brumfield*, 749 F.3d at 344; *La Union*, 29 F.4th at 307) (internal marks omitted and emphasis added).

The outcome of this litigation will ultimately determine whether the Rule is vacated or permitted to stand and, in the interim, whether its effective date is further delayed. As described above and in the attached declarations, which by law are taken as true at this stage, *see La Union*, 29 F.4th at 305, Proposed Intervenors' interests are directly linked to the Rule. If the Rule is vacated or its effective date further delayed as Plaintiffs wish, Proposed Intervenors will not have the opportunity to benefit from the Rule and accordingly will lose access to opportunities and will have to direct their resources to continue to address the problem of medical debt credit reporting. That the government may undertake a new rulemaking does not change this calculus. The only requirement of this factor is that Intervenors' interests *could* (not must) be impaired. In addition, if the Bureau decides to revisit its own lawfully promulgated and well-supported rule, including changing compliance dates, it must follow Administrative Procedures Act requirements for issuing a new or revised regulation. *See* 5 U.S.C. § 553; *see also, e.g.*, *Clean Water Action v. EPA*, 936 F.3d 308, 314 (5th Cir. 2019). If the CFPB attempts to circumvent these APA requirements by substantially delaying or evading implementation of the Final Rule via these proceedings, it would impede Proposed Intervenors' ability to protect their interests. Involvement in this litigation is necessary for Proposed Intervenors to protect their interests against those harms.

D. The CFPB will not adequately represent Intervenors' interests going forward.

Proposed Intervenors satisfy Rule 24(a)'s inadequacy requirement. The burden of proving that the existing parties do not adequately represent Intervenors' interests is minimal. *Glickman*, 256 F.3d at 380. "The potential intervener need only show that the representation *may* be inadequate." *Id.* (quoting *Espy*, 18 F.3d at 1207); *see Brumfield*, 749 F.3d at 346 ("We cannot say for sure that the state's more extensive interests will *in fact* result in inadequate representation, but surely they might, which is all that the rule requires."); *id.* (lack of unity in all objectives supports finding of inadequate interest); *Heaton v. Monogram Credit Card Bank of Ga.*, 297 F.3d 416, 425 (5th Cir. 2002). Lack of adequate representation can be shown even in cases where the intervenor's and the government agency's interest "may diverge in the future, even though, at [the time of intervention] they appear to share common ground." *Heaton*, 297 F.3d at 425; *see also Trbovich v. United Mine Workers of Am.*, 404 U.S. 528 (1972) (reversing denial of a request to intervene by a private party who asserted a related interest to that of an existing government party); *Sierra Club v. Espy*, 18 F.3d 1202, 1208 (5th Cir. 1994) (holding that private timber purchaser associations were entitled to intervene in support of a government program, explaining that "[t]he government must represent the broad public interest, not just the . . . concerns of the timber industry").

Here, that showing is amply made. While this Circuit presumes adequate representation when a "putative representative is a governmental body," *Texas*, 805 F.3d at 661 (quoting *Edwards*, 78 F.3d at 1005), that presumption may be overcome when an intervenor's "'interest is in fact different from that of the [governmental entity] and that the interest will not be represented by [it].'" *Texas*, 805 F.3d at 662 (quoting *Edwards*, 78 F. 3d at 1005).

This Administration has already demonstrated its hostility to actions taken by the Bureau prior to February 1, 2025. On February 1, the President removed CFPB Director Chopra despite the fact that his term was scheduled to continue until late 2026 in order to make way for a new agenda at the Bureau. Rohit Chopra (@chopraCFPB), X (Feb. 1, 2024, 9:00 AM), https://x.com/chopracfpb/status/1885689592046559408?t=ivzOVxfQJUmJOzCR7TpPHQ. On February 3, 2025, newly installed Acting Director Scott Bessent directed the CFPB to "suspend the effective dates" for all final rules that have not yet taken effect—including the Final Rule—and instructed CFPB counsel to not "make or approve filings or appearances by the Bureau in any litigation, other than to seek a pause in proceedings." Emails from Bessent to CFPB Staff, Ex. 7.

Two days later, on February 5, the CFPB acquiesced to the motion and a ninety-day stay of the effective date of the Rule in the other case challenging the Medical Debt Rule—despite initially filing a brief in opposition to the plaintiffs' motion for preliminary injunction enjoining the Rule's effective date. Not. of Relevant Dev'ts & Unopposed Mot. to Stay Proceedings, *Cornerstone Credit Union League, et al. v. CFPB*, 4:25-cv-16 (E.D. Tex. Feb. 5, 2025). Thereafter, on February 7, Russell Vought took over as Acting Director of the CFPB, DOGE entered the CFPB offices, and the director of DOGE posted "RIP CFPB" to X. *See* Ryan Mac & Stacy Cowley, Federal Financial Watchdog to Cease Activity, N.Y. Times, Feb. 9, 2025, https://www.nytimes.com/2025/02/08/us/politics/cfpb-vought-staff-finance-watchdog. html. The next day, on Saturday, February 8, 2025, Acting CFPB Director Vought extended and broadened the stop work order, *see* Ex. 1, and posted on X that the CFPB would be refusing its annual funding from the Federal Reserve. Mac & Cowley, Federal Financial Watchdog to Cease Activity, New York Times, Feb. 9, 2025.

The Acting Director's directive to "[n]ot make or approve filings or appearances by the Bureau in any litigation, other than to seek a pause in proceedings" and to "[s]uspend the effective dates of all final rules" requires the CFPB to not defend the Rule in the present matter and to acquiesce to the stay sought in the motion for preliminary injunction. The Administration's other recent activity further indicates a strong likelihood that the CFPB will fail to vigorously defend the validity of the Rule on the merits. In addition, the government does not represent beneficiaries of the Medical Debt Rule and is not bound by their interests in its litigation decisions. Absent those client obligations, it may make decisions based on changed policy preferences or other constituent interests that might easily ripen into a divergence of representation, even if it were not clear that a divergence has already occurred. So even if the Court "cannot say for sure that the state's more extensive interests will in fact result in inadequate representation," it is clear that "they *might*, which is all that [Rule 24] requires." *Brumfield*, 749 F.3d at 346 (emphasis added).

II. Alternatively, Proposed Intervenors Should Be Granted Permission to Intervene.

Permissive intervention is also appropriate here. Rule 24(b) allows this Court to "permit anyone to intervene" who has filed a "timely motion" and "has a claim or defense that shares with the main action a common question of law or fact." Fed. R. Civ. P. 24(b)(1), (B); *Stallworth v. Monsanto Co.*, 558 F.2d 257, 269 (5th Cir. 1977). "[C]laim or defense" is "construed liberally." *In re Estelle*, 516 F.2d 480, 485 (5th Cir. 1975); *see also Stallworth*, 558 F.2d at 269. The "common question of law or fact" requirement is satisfied so long as an intervenor's arguments are "related to" the claims in the lawsuit. *Cf. Trans Chem. Ltd. v. China Nat'l Mach. Imp. & Exp. Corp.*, 332 F.3d 815, 825 (5th Cir. 2003) (common question of law and fact must be "related to" proposed intervenor's arguments). Courts often allow organizations to permissively intervene where, as here, the potential intervenors may provide unique perspective or expertise for a shared legal defense. The Proposed Intervenors qualify for permissive intervention because, at minimum, the Agency Defendants' and Proposed Intervenors' defense of the rule will share a common issue of law. Proposed Intervenors will provide the Court with their unique perspective and experience about the true impacts of the Rule as well as provide the Court with a robust legal defense of the Rule that may otherwise be lacking.

CONCLUSION

For the foregoing reasons, Proposed Intervenors ask the Court to grant their motion to intervene.

Statement Pursuant to Local Rule 7.1.D

Undersigned counsel has conferred with counsel for Defendant CFPB, who has stated that Defendant does not oppose this motion. Undersigned counsel has conferred with counsel for Plaintiffs, who have stated that they do not consent to the intervention.

Dated: February 12, 2025

Respectfully submitted:

/s/ *Carla Sanchez-Adams*
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Counsel for Proposed Intervenors

*Motions for admission *pro hac vice* forthcoming

CERTIFICATE OF SERVICE

I certify that on February 12, 2025, the foregoing document was filed on the Court's CM/ECF system which sent notification of such filing to all counsel of record.

/s/ *Carla Sanchez-Adams*

Exhibit 1

Dear Colleagues,

I am honored that President Trump designated me as Acting Director of the Bureau on February 7, 2025. As Acting Director, I am committed to implementing the President's policies, consistent with the law, and acting as a faithful steward of the Bureau's resources. To that end, I am directing that, effective immediately, unless expressly approved by the Acting Director or required by law, all employees, contractors, and other personnel of the Bureau shall:

- Not approve or issue any proposed or final rules or formal or informal guidance.
- Suspend the effective dates of all final rules that have been issued or published but that have not yet become effective.
- Not commence, take additional investigative activities related to, or settle enforcement actions.
- Not open any new investigation in any manner, and cease any pending investigations.
- Not issue public communications of any type, including publication of research papers and compliance bulletins.

- Not approve or execute any material agreements, including related to employee matters or contractors.
- Not make or approve filings or appearances by the Bureau in any litigation, other than to seek a pause in proceedings.
- Cease all supervision and examination activity.
- Cease all stakeholder engagement.

If you have any questions, please raise issues through your existing management for consideration by the Acting Director.

Thank you.

Russell T. Vought

Consumer Financial Protection Bureau (cfpb.gov/)

Exhibit 2

CFPB Finalizes Rule to Remove Medical Bills from Credit Reports

English

Español (cfpb.gov/about-us/newsroom/cfpb-termina-norma-sobre-facturas-medicas-en-informes-de-credito/)

Final rule will remove billions of dollars of medical bills from credit reports and end coercive debt collection practices that weaponize the credit reporting system

JAN 07, 2025

WASHINGTON, D.C. – Today, the Consumer Financial Protection Bureau (CFPB) finalized a rule (cfpb.gov/rules-policy/final-rules/prohibition-on-creditors-and-consumer-reporting-agencies-concerning-medical-information-regulation-v/) that will remove an estimated $49 billion in medical bills from the credit reports of about 15 million Americans. The CFPB's action will ban the inclusion of medical bills on credit reports used by lenders and prohibit lenders from using medical information in their lending decisions. The rule will increase privacy protections and prevent debt collectors from using the credit reporting system to coerce people to pay bills they don't owe. The CFPB has found that medical debts provide little predictive value to lenders about borrowers' ability to repay other debts, and consumers frequently report receiving inaccurate bills or being asked to pay bills that should have been covered by insurance or financial assistance programs.

"People who get sick shouldn't have their financial future upended," said CFPB Director Rohit Chopra. "The CFPB's final rule will close a special carveout that has allowed debt collectors to abuse the credit reporting system to coerce people into paying medical bills they may not even owe."

The CFPB's research (https://files.consumerfinance.gov/f/201412_cfpb_reports_consumer-credit-medical-and-non-medical-collections.pdf) reveals that a medical bill on a person's credit report is a poor predictor of whether they will repay a loan, and contributes to thousands of denied applications on mortgages that consumers would be able to repay. The CFPB expects the rule will lead to the approval of approximately 22,000 additional, affordable mortgages every year and that Americans with medical debt on their credit reports could see their credit scores rise by an average of 20 points.

The CFPB's action follows changes made by the three nationwide credit reporting conglomerates – Equifax, Experian, and TransUnion – who **announced** (cfpb.gov/about-us/blog/medical-debt-anything-already-paid-or-under-500-should-no-longer-be-on-your-credit-report/) that they would take certain types of medical debt off of credit reports, including collections under $500, after the CFPB raised concerns about medical debt credit reporting in early 2022. Additionally, FICO and VantageScore, the two major credit scoring companies, announced they have decreased the degree to which medical bills impact a consumer's score.

The CFPB's final rule brings regulations in line with Congress's decision to safeguard consumers' privacy by restricting lenders from obtaining or using medical information, including information about medical debts. Federal financial regulators later created an exception to this restriction, allowing creditors to consider medical debts. This carveout has enabled debt collectors to use the credit reporting system to coerce payments from patients for inaccurate or false medical bills.

The CFPB's new rule amends Regulation V, which implements the Fair Credit Reporting Act (FCRA), to end this exception and establish guardrails for credit reporting companies, prohibiting them from including medical bills on credit reports sent to lenders, who are banned from considering them. The final rule:

- **Prohibits lenders from considering medical information:** The rule ends the special regulatory carveout that previously allowed creditors to use certain medical information in making lending decisions. This means lenders will also be barred from using information about medical devices, such as prosthetic limbs, that could be used to require that the devices serve as collateral for a loan for the purposes of repossession.
- **Bans medical bills on credit reports:** The rule bans consumer reporting agencies from including medical debt information on credit reports and credit scores sent to lenders. This will help end the practice of using the credit reporting system to coerce payment of bills regardless of their accuracy. Lenders will continue to be able to consider medical information to verify medical-based forbearances, verify medical expenses that a consumer needs a loan to pay, consider certain benefits as income when underwriting, and other legitimate uses.

Today's rule advances the CFPB's work to protect consumers from harms from medical debt and coercive debt collection practices. In October, the CFPB **issued guidance** (cfpb.gov/about-us/newsroom/cfpb-takes-aim-at-double-billing-and-inflated-charges-in-medical-debt-collection/) clarifying that debt collectors violate federal law when they collect on inaccurate or legally invalid medical debts. Previously, the CFPB published in 2022 a **report** (cfpb.gov/about-us/newsroom/cfpb-estimates-88-billion-in-medical-bills-on-credit-reports/) describing the extensive and debilitating effects of medical debt along with a **bulletin** (cfpb.gov/about-us/newsroom/cfpb-issues-bulletin-to-prevent-unlawful-medical-debt-collection-and-credit-r eporting/) on the *No Surprises Act* to remind credit reporting companies and debt collectors of their legal responsibilities under that legislation.

The rule will be effective 60 days after publication in the *Federal Register.*

Read the CFPB's notice to the final rule, "Prohibition on Creditors and Consumer Reporting Agencies Concerning Medical Information (Regulation V)." (cfpb.gov/rules-policy/final-rules/prohibition-on-creditors-and-consumer-reporting-agencies-concerning-medical-information-regulation-v/)

Read the *Unofficial Redline of the Prohibition on Creditors and Consumer Reporting Agencies Concerning Medical Information (Regulation V).* (https://files.consumerfinance.gov/f/documents/cfpb_med-debt-final-rule-unofficial-redline_2025-01.pdf)

Learn more about Credit Reporting Requirements (cfpb.gov/compliance/compliance-resources/other-applicable-requirements/fair-credit-reporting-act/) and the CFPB's work on medical debt (cfpb.gov/rules-policy/medical-debt/).

Consumers can submit complaints about financial products or services by visiting the CFPB's website (cfpb.gov/complaint/) or by calling (855) 411-CFPB (2372).

The Consumer Financial Protection Bureau is a 21st century agency that implements and enforces Federal consumer financial law and ensures that markets for consumer financial products are fair, transparent, and competitive. For more information, visit www.consumerfinance.gov (http://www.consumerfinance.gov/).

Topics

- FAIR CREDIT REPORTING ACT (CFPB.GOV/ABOUT-US/NEWSROOM/?TOPICS=FAIR-CREDIT-REPORTING-ACT)
- MEDICAL DEBT (CFPB.GOV/ABOUT-US/NEWSROOM/?TOPICS=MEDICAL-DEBT)
- CREDIT CARDS (CFPB.GOV/ABOUT-US/NEWSROOM/?TOPICS=CREDIT-CARDS)
- CREDIT REPORTS AND SCORES (CFPB.GOV/ABOUT-US/NEWSROOM/?TOPICS=CREDIT-REPORTS-AND-SCORES)
- REGULATION V (CFPB.GOV/ABOUT-US/NEWSROOM/?TOPICS=REGULATION-V)
- ACCESS TO CREDIT (CFPB.GOV/ABOUT-US/NEWSROOM/?TOPICS=ACCESS-TO-CREDIT)

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Go to press resources page (cfpb.gov/about-us/newsroom/press-resources/)

An official website of the United States government

Exhibit 3

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

ACA INTERNATIONAL and SPECIALIZED COLLECTION SYSTEMS, INC. *Plaintiffs*, v. CONSUMER FINANCIAL PROTECTION BUREAU and the Acting Director of the Consumer Financial Protection Bureau, 1700 G. St. NW, Washington, DC 20552 *Defendants*.	No. 4:25-CV-00094

DECLARATION OF DAVID DEEDS

Pursuant to 28 U.S.C. § 1746, I, David Deeds, hereby declare as follows:

1. I am 62 years old and live in Texas. I have personal knowledge of the facts set forth herein and am competent to testify about them if called as a witness.

2. I am offering this declaration in support of my Motion for Intervention in the above-captioned case.

3. I am truck driver by profession. I work for a small trucking company in Texas. I do not receive health insurance through my employer. Instead, I pay $700 per month out-of-pocket for health insurance.

4. In the fall of 2023, I had several attacks of pancreatitis. I ended up going to the hospital three times because of these pancreatitis attacks.

5. I did not have health insurance at the time of my first visit. I did have insurance during the second visit, but that insurance company denied me coverage for that visit on the basis that it was a pre-existing condition. After that, I went to the health insurance marketplace to get a better insurance plan.

6. On the third visit in November 2023, I was diagnosed with pancreatic cancer. I ended up having surgery for the pancreatic cancer at Baylor Scott & White Medical Center ("Baylor") in McKinney, Texas. The surgery had to be delayed until the health insurance from the marketplace kicked in. I had surgery for pancreatic cancer on December 24, 2023.

7. In February 2024, I also had spinal reconstruction surgery on my neck at Texas Spine Center. I already had problems with my neck due to prior injuries. Due to being bedridden as a result of the pancreatic cancer, my neck froze up and I needed surgery.

8. Before I was diagnosed with pancreatic cancer, I had a good credit score close to 700 and was current on my bills.

9. In around 2013, I was homeless, and after that experience I worked hard to improve my financial situation and improve my credit profile. My credit was and is very important to me, because it is necessary to secure housing, transportation, and employment, and make sure that I'm never homeless again.

10. As a result of the pancreatic cancer, I was out of work and lost wages. Also, I had a lot of medical bills to pay. Once my financial troubles started, the situation just avalanched. Before my pancreatic cancer, I had some savings and a financial cushion. I quickly went through my savings as a result of the cancer. My credit score dropped into the 500s.

11. Both of my surgeries left me with medical debts as a result of the required deductibles and 20% co-payments. I have a payment plan for my medical debt with both Baylor and Texas Spine Center, and I pay them automatically with an automated withdrawal. Despite the payment plan, I recently received a $60,000 bill from Baylor for my pancreatic cancer surgery.

12. I also owe about $4,000 in medical bills to Texas Spine. I have about $1,500 in debt on a CareCredit credit card account, which I had used to help pay for my neck surgery.

13. My medical debts to Baylor and Texas Spine are not yet on my credit report. However, I am concerned that they will be reported to the credit bureaus in the near future, even with my payment plans. If the CFPB's Prohibition on Creditors and Consumer Reporting Agencies Concerning Medical Information ("the CFPB rule") is allowed to go into effect, it will relieve my concern about this possibility.

14. I do have a medical debt collection item on my credit report, which is being reported by Aargon Agency. This is for a $526 bill from Texoma Medical Center. I had gone to Texoma Medical Center during one of my pancreatitis attacks. Texoma Medical Center didn't run any blood tests so they didn't catch the cancer. This $526 debt is on my credit reports with Experian and TransUnion.

15. I believe that the medical debt being reported by Aargon Agency on my credit report has contributed to my credit score being lowered. The lowering of my credit score has deflated me. I feel like everything I worked for during the last ten years to get my credit score up has been wasted. Because of my low credit score, I cannot get a line of credit to make necessary repairs to my home. My credit profile is important to me so that I can feel secure and be sure that I can meet my needs if something comes up and never be homeless again.

16. If the CFPB rule goes into effect, it will help me by improving my credit profile and score, and make it easier for me to obtain credit, maintain my home, and give me security and peace of mind.

17. I am conservative politically and voted for President Trump in the past three presidential elections. But I support the CFPB rule and believe that medical debts should not ruin a person's credit score.

I solemnly swear and affirm under the penalties of perjury that the foregoing is true and correct based on my personal knowledge.

Dated: February 11, 2025

Respectfully submitted,

David Deeds

Exhibit 4

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

ACA INTERNATIONAL and SPECIALIZED COLLECTION SYSTEMS, INC. *Plaintiffs*, v. CONSUMER FINANCIAL PROTECTION BUREAU and the Acting Director of the Consumer Financial Protection Bureau, 1700 G. St. NW, Washington, DC 20552 *Defendants.*	No. 4:25-CV-00094

Pursuant to 28 U.S.C. § 1746, I, Harvey Coleman, hereby declare as follows:

1. I am over 21 years of age and a resident of Washington DC. I have personal knowledge of the facts set forth herein and am competent to testify about them if called as a witness.

2. I am offering this declaration in support of my Motion to Intervene as a defendant in ACA International et al. v. Consumer Financial Protection Bureau et al, No. 4:25-cv-0009 (S.D. Tex.).

3. I am a stay-at-home father and occasionally drive for Uber. I am also planning to start a new food business in the near future.

4. I am the father of two boys, who are five (5) and two (2) years old.

5. In July 2021, our family took a trip to Louisiana. About a week into the trip, my older son, who was then one year old, started getting sick. We took him to see a doctor at Our Lady of the Angels Hospital ("Angels Hospital"). The doctor said that my son did not have RSV or COVID, it was probably just a normal cold, so we were good to go.

6. At the time of the doctor's visit, my son was covered by the District of Columbia's Medicaid program. He is still covered by Medicaid. I am not sure why the visit to Angels Hospital was not covered by Medicaid.

7. At some point in 2021 or 2022, my son's mother and I received a bill from Angels Hospital for about $1,300. We didn't have the money to pay the bill, and we did not know how to navigate getting Medicaid to cover it. We received the bill during the tail end of the pandemic, when my unemployment benefits ran out and I was trying to get back to work.

8. At some point, the bill from Angels Hospital was referred to Transfinancial Companies. Transfinancial then reported the debt to all three credit bureaus – Equifax, Experian and TransUnion. The Angels Hospital debt is on all three of these credit reports.

9. My credit report caused me to be denied for the financing of a cell phone when I applied for GoogleFi service in the fall of 2024. I believe the debt reported by Transfinancial is part of the reason I was denied.

10. I am taking part in a financial counseling program. I am trying to improve my financial situation as part of this program, to have some savings and improve my credit report. If the CFPB's Prohibition on Creditors and Consumer Reporting Agencies Concerning Medical Information ("the CFPB rule") is allowed to go into effect, it will help me in these efforts.

11. If the CFPB rule goes into effect, it will help me by removing the medical debt from my credit report, which will improve my credit, therefore making it easier for me to obtain

credit, phone service, housing, and employment. It will also give me peace of mind to have this item removed from my credit reports.

I solemnly swear and affirm under the penalties of perjury that the foregoing is true and correct based on my personal knowledge.

Dated: February 10, 2025

Respectfully submitted,

Harvey Coleman

Exhibit 5

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

ACA INTERNATIONAL and SPECIALIZED COLLECTION SYSTEMS, INC. *Plaintiffs*, v. CONSUMER FINANCIAL PROTECTION BUREAU and the Acting Director of the Consumer Financial Protection Bureau, 1700 G. St. NW, Washington, DC 20552 *Defendants*.	No. 4:25-CV-00094

I, Ariel Levinson-Waldman, declare as follows:

1. The facts set forth in this declaration are based on my personal knowledge, and if called as a witness, I could and would competently testify to the following matters under oath.

2. I am the Founding President and Director-Counsel of Tzedek DC. Tzedek DC is a proposed intervenor in the above-captioned matter, seeking to defend the Consumer Financial Protection Bureau's Prohibition on Creditors and Consumer Reporting Agencies Concerning Medical Information, 90 Fed. Reg. 3,276 (Jan. 14, 2025). Tzedek DC is a nonpartisan, 501(c)(3) nonprofit organization and was incorporated in the District of Columbia in 2016 and launched in February 2017. We are headquartered at the University of the District of Columbia David A. Clarke School of Law.

3. Tzedek DC's name is drawn from the ancient Jewish teaching "*Tzedek, tzedek tirdof*," or "Justice, justice you shall pursue." Tzedek DC's mission is to safeguard the legal rights and

financial health of DC residents with lower incomes facing the often-devastating consequences of debt collection and credit-related obstacles, including those arising from medical debt.

4. I am authorized to provide this declaration on behalf of Tzedek DC. I co-founded Tzedek DC in 2016. As the Founding President and Director-Counsel, I am responsible for Tzedek DC's overall substantive work and day to day management.

5. Tzedek DC has limited resources, and it must regularly make difficult decisions about how to best devote our resources to advance its mission. This means that some work must be left undone while Tzedek DC focuses on other priorities. When one issue is resolved, including through legislation or regulatory change, Tzedek DC can shift its resources to other priorities that advance its mission.

6. Since inception, Tzedek DC has served over 5,000 client households in legal and financial counseling matters and catalyzed systemic reforms benefiting hundreds of thousands of DC residents. Our representation has saved residents well over $4 million. The sub-population we serve is adult DC residents under 400% of the federal poverty line facing debt-related problems, including, critically, those struggling with medical debt. Tzedek DC's client base is comprised of about 90% Black residents, 60% women, and 25% disabled community members.

7. Tzedek DC has since inception served clients with medical debt challenges, and in 2022 we launched Tzedek DC's Medical Debt Project. This project remains an active and important part of our organization. We have dedicated most of a full-time lawyer's time and talents to this project, as well as portions of other lawyers' and financial counselors' time. Our Medical Debt Project has served over 250 clients in the past 2.5 years.

8. According to estimates from the Urban Institute, an estimated 90,000 DC residents – nearly 20 percent of DC's adult population – had medical debt in 2022, with 13,000 of those

having medical debt in active collections. Debt in collections includes past-due accounts that have been closed and charged-off as well as unpaid bills reported to the credit bureau that a creditor is attempting to collect. This estimate does not include those who have medical debt on a credit card. The large number of DC residents burdened by medical debt creates a substantial client pool of actual and potential clients, thereby increasing our workload.

9. In 2022 and 2023, the three major credit bureaus, Equifax, Experian, and TransUnion, instituted voluntary changes such as removing medical debts under $500 and paid medical debts. Prior to the voluntary changes, 5 percent of DC residents had medical debts on their credit reports, which dropped to about 1.7 percent after the changes. The reduction in the number of DC residents with medical debt on their credit reports resulted in a change in how we were able to allocate resources to addressing client needs. If the CFPB rule is allowed to take effect, we expect the number of DC residents with medical debt on their credit reports to be at (or, depending on full compliance, near) zero, and to further help us allocate resources to other needs.

10. The allocated funding for our Medical Debt Project is over $70,000. We set that amount in part based on the expectation that the CFPB medical debt rule would go into effect and that medical debts on credit reports would not be a huge burden for DC residents. If the CFPB rule is rescinded, then we will have to do additional work with clients to address their medical debt tradelines. This will likely exceed the budgeted amount for this project, leading to the redirection of funds from other projects.

11. Through our Medical Debt Project, Tzedek DC provides direct legal services to clients with medical debt, including medical debt tradelines and credit card tradelines where the underlying bills stem from medical debt. We help clients review medical bills for accuracy; provide advice on hospital financial assistance programs; review clients' credit reports and

dispute inaccurate information; and represent clients in negotiations over medical debt in or out of court with hospitals and debt collectors.

12. If DC residents continue to face medical debt tradelines on credit reports, Tzedek DC's provision of direct legal services to its clients will be materially impacted. Tzedek DC's attorneys will need to serve more clients burdened by medical debt, taking away time staff could spend helping clients with other issues. They will need to spend more time with clients advising them on dealing with credit reporting issues than if medical debt were removed under the CFPB rule. They will need to help clients review medical bills to ensure the bills are accurate, and ensure any medical debt items on the clients' credit reports are accurate. If the credit reporting is inaccurate, they will need to help their clients dispute the inaccurate medical debt information. Further, Tzedek DC will be required to help clients negotiate with insurance companies to fix any insurance-related errors on medical bills reported on credit reports. Tzedek DC's ability to negotiate settlement agreements with medical providers and medical debt collectors will be impacted by the need to deal with credit reporting consequences. Tzedek DC's ability to help clients will also be affected by the pressure on clients to pay medical bills quickly for fear of credit reporting, as opposed to taking time to ensure bills are accurate and work through insurance appeals for potentially smaller overall bills.

13. Tzedek DC has a financial counseling program with two full time counselors. These counselors provide clients with one-on-one and group counseling on debt, credit, and budgeting. After evaluating individual or family income and expenditures, our financial counselors help clients to improve and organize their finances, develop a budget, manage their debt, establish and rebuild credit and savings, identify and access public and tax benefits, and efficiently meet their short- and long-term financial goals.

14. If DC residents continue to face medical debt tradelines on credit reports, Tzedek DC's financial counseling program will be materially impacted. Tzedek DC financial counselors will need to serve more clients burdened by medical debt, taking away time staff could spend helping clients with other issues. They will have to spend more time advising clients about credit reports than if medical debt were removed from them. The financial counselors will need to implement additional efforts to increase credit scores, whereas if the CFPB rule took effect, the scores would otherwise have already likely increased with the removal of medical debt from credit reports.

15. In addition, financial counselors will need to help clients create budgets that are further constrained by medical debt. They will need to find alternate sources of financial services products if clients can't access loans because of medical debt collection items being included in their credit reports.

16. Our community outreach and education efforts, which are within the scope of our Medical Debt Project, consist of a full-time community outreach coordinator who distributes informational flyers to over 50 community-based organizational partners. These flyers include Know Your Rights information on addressing medical debt, specifically addressing medical bills, credit reporting protections, and debt collection protections. We also provide community legal education presentations on these topics, among others. We have conducted over ten presentations on medical debt to community members and other service providers between 2022-2024, and distributed over 300 Know Your Rights flyers on medical debt.

17. Our presentation opportunities and time allocation is limited by community partners' interest and availability. If medical debt is not removed from credit reports, Tzedek DC will need to make difficult tradeoffs in what material we cover during presentations. We will likely have

to cut other important topics, such as scams and fraud, to continue to cover medical debt credit reporting. Tzedek DC will also need to continue passing out flyers with information about medical debt credit reporting, costing us money in printing. Some flyers with a broader overview of dealing with medical debt will have to include credit reporting instead of other information.

18. Credit reporting of medical debt has a huge impact on Tzedek DC's Medical Debt Project and the work that we do generally. If the CFPB rule is upheld, it will help relieve some of the impact of medical debt on our clients and community, allowing us to redirect our resources to other issues.

I solemnly swear and affirm under the penalties of perjury that the foregoing is true and correct based on my personal knowledge.

Dated: February 10, 2025

Respectfully submitted,

Ariel Levinson-Waldman

Exhibit 6

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

ACA INTERNATIONAL and SPECIALIZED COLLECTION SYSTEMS, INC.

Plaintiffs,

v.

CONSUMER FINANCIAL PROTECTION BUREAU and the Acting Director of the Consumer Financial Protection Bureau, 1700 G. St. NW, Washington, DC 20552

Defendants.

No. 4:25-CV-00094

DECLARATION OF SIREESHA MANNE

I, Sireesha Manne, declare as follows:

1. The facts set forth in this declaration are based on my personal knowledge, and if called as a witness, I could and would competently testify to the following matters under oath.

2. I am the Executive Director of the New Mexico Center on Law & Poverty ("NMCLP"), a proposed intervenor in the above-captioned matter, seeking to defend the Consumer Financial Protection Bureau's Prohibition on Creditors and Consumer Reporting Agencies Concerning Medical Information, 90 Fed. Reg. 3,276 (Jan. 14, 2025) ("the CFPB rule"). NMCLP is a nonpartisan, 501(c)(3) nonprofit organization incorporated in New Mexico.

3. I am authorized to provide this declaration on behalf of NMCLP. I was elevated to the position of Executive Director of NMCLP in 2018. As Executive Director of NMCLP, I am responsible for priority setting, project assignments, and the quality of work at the

organization. I direct or supervise the direction of all research, policy, and advocacy projects, as well as internal NMCLP policy-making, hiring, fundraising, and budgetary planning.

4. I have been with NMCLP since 2008, having previously served as a Staff Attorney and a Supervising Attorney overseeing NMCLP's healthcare work. I have been extensively involved in NMCLP's leadership team for the last decade, engaging in legal and advocacy work, as well as strategic planning and management. Prior to joining the NMCLP, I had seven years of experience in nonprofit work to advance social, economic, and racial justice.

5. The mission of NMCLP is to advance economic and social justice through education, advocacy, and litigation. For almost 30 years, NMCLP has partnered with our communities to pursue long-term, system-wide changes in laws, policies, and institutions that promote the well-being of children and families.

6. NMCLP has limited resources, and it must regularly make difficult decisions about how to best devote our resources to advance its mission. This means that some work must be left undone while NMCLP focuses on other priorities. When one issue is resolved, including through legislation or regulatory change, NMCLP can shift its resources to other priorities that advance its mission.

7. NMCLP works to ensure every New Mexican has access to quality, affordable healthcare and remains free from medical debt and the impacts of related medical debt collection. NMCLP worked to pass the New Mexico Patients Debt Collection Protection Act, effective July 2021, which imposed several new requirements for healthcare providers, debt buyers, and collection agencies that collect medical debt.

8. Credit reporting of medical debt imposes significant harms on our clients and community members. It causes them to forego care due to fear of negative reporting or forego

basic needs to pay off the debt. Credit reporting of medical debt undermines the protections in the New Mexico Patients Debt Collection Protection Act because it puts pressure on patients to pay off the debt despite the Act's protections.

9. Credit reporting of medical debt also makes it less likely that hospitals will properly screen patients for public programs that provide insurance or help with medical costs, as required by the new Act. Because hospitals can collect medical debts more easily using credit reporting, it creates incentives for them not to direct people to financial assistance and other programs as required by the new Act.

10. Because credit reporting undermines the operation of our new state law, NMCLP has had to devote resources to counter this problem. NMCLP conducts outreach and education with community members to ensure that they know about the Act's requirements, their right to be screened for financial assistance, and how to access resources and programs that prevent medical debt. The need for such outreach and education is increased because of credit reporting of medical debt. If the CFPB final rule is vacated, NMCLP will continue to need to devote resources to this community education. If the CFPB rule is upheld, we will be able devote resources to other types of community education and advocacy.

11. NMCLP engages in litigation to help low-income New Mexicans, including litigation to enforce the New Mexico Patient's Debt Collection Protection Act. In October 2022, we filed a class action lawsuit, *Ramirez v. Mountain View Regional Medical Center*, against a hospital and its debt collector for violations of the Act. The hospital and collector were suing consumers in violation of the Act, as well as reporting the debts to the credit reporting agencies. One of goals of the lawsuit was to rectify the credit reporting harms that stem from illegal collection activity. Thus, NMCLP must devote litigation resources to addressing credit reporting

of medical debt. If the CFPB rule is upheld, we will no longer need to devote litigation resources to address the credit reporting consequences of unlawful medical debt.

12. Credit reporting of medical debt also affects NMCLP's policy work. NMCLP will be devoting resources to passing a state law to remove medical debt from the credit reports of New Mexico residents, which would not be necessary if the CFPB final rule is upheld. NCMLP is also engaged in advocacy to increase financial resources to cover healthcare costs because of consequences of medical debt, including on credit reports. For example, we have found that a large share of the uncollected medical debt that is owed to nonprofit hospitals by consumers who were eligible but did not receive for financial assistance. So NMCLP must work on making sure county governments have financial assistance programs as required by the new Act to prevent medical bills from being referred to debt collectors and thus ending up on credit reports.

13. The negative consequences from credit reporting of medical debt harms our low-income clients with respect to other issues that we work on, such as housing. We devote a great deal of resources to address the impact of the housing crisis in New Mexico. For example, we have represented clients who live in buildings that have been illegally condemned by municipalities, to address displacement of these tenants. One of the reasons that NMCLP brings these cases is because it is so hard for our clients to find housing if they are displaced; one of the factors that makes it hard for our clients to find housing is negative credit reporting including medical debt on credit reports.

14. Credit reporting of medical debt has in part shaped the work we do on health care access. If the CFPB rule is upheld, it will help relieve some of the impact of medical debt on our

clients and community, allowing us to focus our resources on other aspects of health care access as well as other issues.

15. Overall, the CFPB rule benefits NMCLP's mission and work in a material way, and the loss of the CFPB rule would force NMCLP to reallocate its limited resources accordingly.

I solemnly swear and affirm under the penalties of perjury that the foregoing is true and correct based on my personal knowledge.

Dated: February 10, 2025

Respectfully submitted,

Sireesha Manne

Exhibit 7

[redacted]

From:	CFPB_WeeklyDigest
Sent:	Tuesday, February 4, 2025 12:15 PM
To:	CFPB_WeeklyDigest
Cc:	_DL_CFPB_AllHands; _DL_CFPB_AllHands_Contractors
Subject:	Message from the Acting Director, Prohibited Holdings, and more

Compliance training due March 17

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cfpb

FEBRUARY 4, 2025

Weekly Digest

Message from the Acting Director | Checklist | Professional development | Breakroom

MESSAGE FROM THE ACTING DIRECTOR

Updated from Feb. 3 email:

Colleagues,

Secretary of the Treasury Bessent has been named Acting Director of the CFPB, effective January 31, 2025. As Acting Director, Secretary Bessent is committed to appropriately stewarding the agency pending new leadership. In order to promote consistency with the goals of the Administration, effective immediately, unless expressly approved by the Acting Director or required by law, all employees, contractors, and other personnel of the Bureau are directed:

- Not to approve or issue any proposed or final rules or formal or informal guidance.
- To suspend the effective dates of all final rules that have been issued or published but that have not yet become effective.
- Not to commence, take additional investigative activities related to, or settle enforcement actions.
- Not to issue public communications of any type, including publication of research papers.
- Not to approve or execute any material agreements, including related to employee matters or contractors.
- Not to make or approve filings or appearances by the Bureau in any litigation, other than to seek a pause in proceedings.
- Not to initiate supervisory designation proceedings or designate any nondepository institution for supervision.

If you have any questions, please raise issues through your existing management for consideration by the Acting Director.

Thank you

CHECKLIST

Prohibited Holdings notification deadline

- ☐ If you, your spouse, minor child, or a covered third party owns or controls a security in an entity on the 2025 Prohibited Holdings List, then you must notify the Ethics Office **no later than today.**
- ☐ Failure to meet this deadline could prevent you from being eligible for a certificate of divestiture or requesting a waiver.

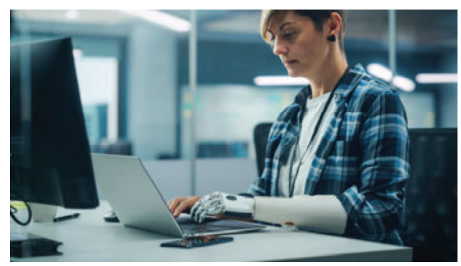
Seeking non-federal employment

- ☐ If you're looking for non-federal employment, you're required to recuse yourself from working on bureau-related matters when the prospective employer's financial interests are affected by your work.
- ☐ Review the ethics guidance on seeking employment and contact the Ethics Office if you have questions.

2024 W-2s

- ☐ Employees can access W-2s in Employee Personal Page (EPP).
- ☐ The National Finance Center has already mailed your calendar year 2024 Wage and Tax Statement W-2(s) – check your mailbox.

Compliance training



- ☐ All mandatory training is due by **March 17**.

Don't squat; reserve your spot!

- ☐ Remember to reserve your hoteling workspace and check in within two hours of the start time, or the reservation will be automatically cancelled.
- ☐ Contact the Space Reservations inbox if you have questions.

PROFESSIONAL DEVELOPMENT

How Alternative Dispute Resolution (ADR) can help you

Join the virtual ADR 101 Lunch & Learn on **Thursday, Feb. 6 from noon - 12:30 p.m. ET** to learn about the types and benefits of ADR services and why it's a valuable resource to help improve your work environment.

Library

- Visit the Library page to manage your subscriptions and get details on upcoming training sessions.

Detail Opportunities

- Visit Detail Opportunities to view internal details.

BREAKROOM

Beam Updates

Stay up to date on all things Beam on the [Beam Status Update page](). Please [send us your photos]() if you attend an event and we may feature them in an upcoming Weekly Digest.

[redacted]

PETS OF THE BUREAU

This week's Pets of the Bureau are Pancake (left) and Chunky Monkey (right) submitted by [redacted] They're bearded dragons who've been with Irene for almost five years. They enjoy eating veggies (reluctantly) and bugs (enthusiastically) and basking under their heat lamps. Pancake loves to hang out with people and has participated in many CFPB Teams calls. He is considered a bureau subject matter expert on credit reporting issues.

If you haven't already, [submit your pet photos today!]()

Consumer Financial Protection Bureau

Internal use only

This newsletter is brought to you by Internal Communications. Please share your feedback with the Weekly Digest team. **All submissions are due by COB the Wednesday prior to publication.**

Previous newsletters can be found in the Weekly Digest Archive.

From: CFPB_OfficeOfTheDirector
Sent: Monday, February 3, 2025 11:00 AM
To: _DL_CFPB_AllHands; _DL_CFPB_AllHands_Contractors
Subject: Instructions from Acting Director

Colleagues,

Secretary of the Treasury Bessent has been named Acting Director of the CFPB, effective January 31, 2025. As Acting Director, Secretary Bessent is committed to appropriately stewarding the agency pending new leadership. In order to promote consistency with the goals of the Administration, effective immediately, unless expressly approved by the Acting Director or required by law, all employees, contractors, and other personnel of the Bureau are directed:

- Not to approve or issue any proposed or final rules or formal or informal guidance.
- To suspend the effective dates of all final rules that have been issued or published but that have not yet become effective.
- Not to commence, take additional investigative activities related to, or settle enforcement actions.
- Not to issue public communications of any type, including publication of research papers.
- Not to approve or execute any material agreements, including related to employee matters or contractors.
- Not to make or approve filings or appearances by the Bureau in any litigation, other than to seek a pause in proceedings.

If you have any questions, please raise issues through your existing management for consideration by the Acting Director.

Thank you.

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

ACA INTERNATIONAL and SPECIALIZED COLLECTION SYSTEMS, INC. *Plaintiffs*, v. CONSUMER FINANCIAL PROTECTION BUREAU and the Acting Director of the Consumer Financial Protection Bureau, 1700 G. St. NW, Washington, DC 20552 *Defendants*.	No. 4:25-CV-00094

[PROPOSED] ORDER GRANTING MOTION TO INTERVENE

Upon consideration of Proposed Intervenors' motion to intervene in this litigation, it is hereby

ORDERED that Proposed Intervenors' motion is **GRANTED**; and it is further

ORDERED that Proposed Intervenors shall, within three days of the entry of this Order, file their Answer and any other previously filed proposed filings on the docket.

SO ORDERED this ____ day of ______, 2025.

____
THE HON. SIM LAKE
UNITED STATES DISTRICT JUDGE

Submitted by:

/s/ *Carla Sanchez-Adams*
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Counsel for Proposed Intervenors

*Motions for admission *pro hac vice* forthcoming

CERTIFICATE OF SERVICE

I certify that on February 12, 2025, the foregoing document was filed on the Court's CM/ECF system which sent notification of such filing to all counsel of record.

/s/ *Carla Sanchez-Adams*

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

ACA INTERNATIONAL and SPECIALIZED COLLECTION SYSTEMS, INC. *Plaintiffs*, v. CONSUMER FINANCIAL PROTECTION BUREAU and the Acting Director of the Consumer Financial Protection Bureau, 1700 G. St. NW, Washington, DC 20552 *Defendants*.	No. 4:25-CV-00094

[PROPOSED] ANSWER AND AFFIRMATIVE DEFENSES OF DEFENDANT-INTERVENORS

Defendant-Intervenors would respond to Plaintiffs' Complaint, ECF No. 1, as follows:

INTRODUCTION

The introductory paragraphs on pages 1-3 of the Complaint are not enumerated allegations that require a response. To the extent a response is required, Defendants-Intervenors deny and/or lack knowledge or information sufficient to form a belief about the statements made in the introduction. Defendants-Intervenors likewise deny all the statements Plaintiffs make in the headers for each section of the Complaint.

I. NATURE OF THE CASE

1. The allegations in Paragraph 1 purport to characterize statutes and regulations, which speak for themselves. Defendants-Intervenors lack knowledge or information sufficient to form a belief about the remaining allegations, and therefore deny said allegations.

2. Denied.

II. PARTIES

3. Defendant-Intervenors lack knowledge or information sufficient to form a belief about the allegations in Paragraph 3, and therefore deny said allegations.

4. Defendant-Intervenors lack knowledge or information sufficient to form a belief about the allegations in Paragraph 4, and therefore deny said allegations.

5. Defendant-Intervenors lack knowledge or information sufficient to form a belief about the allegations in Paragraph 5, and therefore deny said allegations.

6. Defendant-Intervenors lack knowledge or information sufficient to form a belief about the allegations in Paragraph 6, and therefore deny said allegations.

7. Defendant-Intervenors lack knowledge or information sufficient to form a belief about the allegations in Paragraph 7, and therefore deny said allegations.

8. Denied as a legal conclusion.

9. Defendant-Intervenors lack knowledge or information sufficient to form a belief about the allegations in Paragraph 9, and therefore deny said allegations.

10. Defendant-Intervenors lack knowledge or information sufficient to form a belief about the allegation in Paragraph 10.

11. Admitted that SCS is regulated by the CFPB under the Fair Debt Collection Practices Act ("FDCPA"), 15 U.S.C. §§ 1692-1692(p), the FCRA, and the CFPB's implementing regulations of those acts (Regulations F and V), among other laws and regulations. Denied as stated the allegation that SCS will have its activities affected and restricted by the Rule at issue in this case, and will incur substantial compliance costs in an effort to become compliant by the Rule's effective date.

12. Denied.

13. Admitted that the CFPB is a federal agency in the executive branch and is subject to the Administrative Procedure Act ("APA"). The statute and regulations cited in this paragraph speak for themselves.

14. Denied that Rohit Chopra serves as the Director of the CFPB; Director Chopra was fired by President Donald Trump on February 1, 2025.

III. JURISDICTION AND VENUE

15. Denied as a legal conclusion; the statute speaks for itself.

16. Denied as a legal conclusion; the statute speaks for itself.

17. Admitted that the Complaint seeks declaratory and injunctive relief under the statutes cited, which speak for themselves.

18. Defendant-Intervenors lack knowledge or information sufficient to form a belief about the allegations in Paragraph 18; also denied as legal conclusions.

IV. FACTUAL ALLEGATIONS

A. The FCRA Expressly Legislates Medical Information Credit Reporting

19. Defendant-Intervenors deny the first allegation of Paragraph 19 as a legal conclusion; the statute speaks for itself. Defendant-Intervenors admit the second allegation of Paragraph 19.

20. Defendant-Intervenors admit the first allegation of Paragraph 20. Defendant-Intervenors deny the remaining allegations as a legal conclusions; the statute and regulations cited speak for themselves.

21. Denied as a legal conclusion; the statute speaks for itself.

22. Denied as a legal conclusion; the statute speaks for itself.

23. Denied as a legal conclusion; the statute speaks for itself.

24. Denied as a legal conclusion; the statute speaks for itself.

25. Denied.

26. Denied as a legal conclusion; the statute speaks for itself.

27. This allegation purports to characterize Plaintiffs' Complaint. Defendant-Intervenors lack knowledge or information sufficient to form a belief about the allegations in Paragraph 27, so denied as stated.

28. Denied as stated; the statute and House Report 108-263 speak for themselves.

29. The allegations in Paragraph 29 purport to characterize testimony provided by Representative Paul Kanjorski, which speaks for itself. Denied as stated.

30. Denied. The statutes speak for themselves.

31. Admitted.

32. Denied. The statutes speak for themselves.

33. Denied as stated. The statutes speak for themselves.

34. Admitted.

35. Denied. The statute speaks for itself.

36. Denied. The statute speaks for itself.

37. Denied. The statute and Federal Registrar speak for themselves.

38. Denied as stated, the statutes speak for themselves.

39. Defendant-Intervenors admit the first and last allegations in Paragraph 39, and deny as stated the second allegation ("[n]or does the CFPB have any authorities granted under any chapter in Title 42 or the No Surprises Act.")

B. The CFPB Issues this Rule in Record Time with Political Purposes

40. Admitted.

41. Denied as stated. Admitted that the CFPB convened a Small Business Regulatory Enforcement Fairness Act ("SBREFA") panel in October 2023, but otherwise deny as stated. The Federal Registrar speaks for itself.

42. Admitted.

43. Admitted that each comment the CFPB received on the Final Rule remains available online. Denied that they are incorporated in Plaintiffs' Complaint as a legal conclusion.

44. Admitted that the Small Business Administration Office of Advocacy (the "SBA") participated in the SBREFA Panel. Defendant-Intervenors lack knowledge or information sufficient to form a belief about the remaining allegations in Paragraph 44, and therefore deny said allegations.

45. The allegations in Paragraph 45(a)-(d) purport to characterize the SBA's statements at the SBREFA Panel, which speak for themselves, and therefore deny said allegations.

46. Denied as stated.

47. Admitted that certain Members of Congress wrote a letter to Director Chopra on or about August 14, 2024. The allegations purport to characterize the letter, which speaks for itself, and are therefore denied as stated.

48. Denied as stated. The quotation cited speaks for itself.

C. The CFPB's Final Rule is a Content-Based Restriction on Free Speech

49. Admitted that the CFPB issued the Final Rule on January 7, 2025, and the Federal Register will publish the Final Rule in Volume 90. Admitted that the *Unofficial Redline of the Medical Debt Final Rule* was issued concurrently. The citation referenced in FN 8 speaks for itself. Defendant-Intervenors deny the remaining allegation as stated.

50. Defendant-Intervenors admit the first allegation contained in Paragraph 50. Defendant-Intervenors deny the second allegation as stated, the regulations cited speak for themselves.

51. Denied.

52. Denied as stated, the Final Rule and case cited speak for themselves. The last sentence of Paragraph 52 is a legal conclusion, and Defendant-Intervenors therefore deny said allegation.

D. The Final Rule's Justifications are Logically Insufficient to Justify its Harms and Restrictions of Speech

53. Admitted the CFPB provided justifications for its rule. Defendant-Intervenors deny the remainder of the allegations.

54. Admitted.

55. Defendant-Intervenors deny the first allegation in Paragraph 55. Defendant-Intervenors lack knowledge or information sufficient to form a belief about the remaining allegations, and therefore deny these allegations. The statutes cited therein and citation at FN 9 speak for themselves. Defendant-Intervenors deny as stated the last allegation in Paragraph 55.

56. Denied the first sentence of Paragraph 56. Defendant-Intervenors admit the second sentence in Paragraph 56, that "[m]edical debt is certainly an unwanted expense" and that other expenses are unwanted, but deny Paragraph 56 as a whole as stated.

57. Denied.

58. Admitted.

59. The allegations in Paragraph 59 purport to characterize a survey which speaks for itself. Defendant-Intervenors deny the second allegation in Paragraph 59.

60. The first allegation in Paragraph 60 purports to characterize the document cited at FN 10, which speaks for itself. The second allegation in Paragraph 60 purports to characterize the document cited as FN 11, which speaks for itself. This allegation is denied as stated. The third allegation in Paragraph 60 purports to characterize the Notice, which speaks for itself. This allegation is denied as stated. The remaining allegations in Paragraph 60 are denied.

61. Denied.

62. Denied.

63. The allegations in Paragraph 63 purport to characterize Regulation F, which speaks for itself. Defendant-Intervenors deny these allegations as stated. Defendant-Intervenors deny the remaining allegations in Paragraph 63.

64. Denied. The case cited in Paragraph 64 speaks for itself.

65. Admitted.

66. Denied.

67. Admitted.

68. The allegations in Paragraph 68 purport to characterize the Notice of Proposed Rulemaking which speaks for itself. These allegations are denied as stated.

69. Defendant-Intervenors deny as stated the first two allegations in Paragraph 69. Defendant-Intervenors deny the third allegation in Paragraph 69. The last allegation in Paragraph 69 purports to characterize the Notice, which speaks for itself.

70. Admitted.

71. Defendant-Intervenors deny the first two allegation in Paragraph 71. Defendant-Intervenors deny the third allegation in Paragraph 71 as a legal conclusion. The case cited speaks for itself.

E. The Final Rule is Arbitrary and Capricious

72. Denied.

73. The allegations in Paragraph 73 purport to characterize the Notice which speaks for itself.

74. The first allegation in Paragraph 74 purports to characterize the Notice which speaks for itself and therefore denies this allegation as stated. Defendant-Intervenors deny as stated the second allegation in Paragraph 74; the statute speaks for itself.

75. The allegations in Paragraph 75 purport to characterize the Notice which speaks for itself. Defendant-Intervenors therefore deny the allegations in Paragraph 75 as stated.

76. Denied. The document cited in FN 13 speaks for itself.

77. The first allegation in Paragraph 77 purports to characterize the Notice which speaks for itself. Defendant-Intervenors therefore deny this allegation as stated. Defendant-Intervenors lack knowledge or information sufficient to form a belief about the last allegation in Paragraph 77, and therefore deny this allegation.

78. The allegations in Paragraph 78 purport to characterize the Notice which speaks for itself and therefore Defendant-Intervenors deny these allegations as stated.

79. Defendant-Intervenors lack knowledge or information sufficient to form a belief about the allegations in Paragraph 79, and therefore deny said allegations. The document cited in FN 14 speaks for itself.

80. Denied.

81. Denied.

82. Admitted.

83. The allegations in Paragraph 83 purport to characterize the Notice which speaks for itself. Defendant-Intervenors deny these allegations as stated.

84. The first allegation in Paragraph 84 purport to characterize the Notice which speaks for itself. Defendant-Intervenors deny this allegation as stated. Defendant-Intervenors deny the last allegation in Paragraph 84.

F. The CFPB's Final Rule relies on an outdated data and an unreliable economic model.

85. Denied.

86. Defendant-Intervenors deny the first allegation in Paragraph 86 as stated. The document cited at FN 15 speaks for itself. Defendant-Intervenors deny the second allegation in Paragraph 86 as stated. Defendant-Intervenors admit the portion of the third allegation in Paragraph 86 that states, "[i]importantly, the nationwide CRAs no longer report medical debts below $500 or medical debt collections that have been paid…". Defendant-Intervenors are without sufficient knowledge or information to form a belief about the uncited study referenced in the forth allegation in Paragraph 86. Defendant-Intervenors admit the fifth allegation in Paragraph 86, that ('the nationwide CRAs now delay furnishing medical debt information for one year to account for delays in insurance repayment."). Defendant-Intervenors deny the remaining allegations in Paragraph 86.

87. The allegations in Paragraph 87 purport to characterize the 2014 study, which speaks for itself. Defendant-Intervenors deny these allegations.

88. The allegations in Paragraph 88 purport to characterize the Technical Appendix, which speaks for itself. Defendant-Intervenors deny these allegations.

89. Denied as stated.

90. Denied.

91. The allegations in Paragraph 91 purport to characterize a Comment Letter cited at FN 16, which speaks for itself.

92. The allegations in Paragraph 92 purport to characterize the Notice which speaks for itself. Defendant-Intervenors deny this allegation as stated.

93. The allegations in Paragraph 93 purport to characterize the Notice which speaks for itself. Defendant-Intervenors deny this allegation as stated.

94. Denied.

G. Implementation of the Final Rule Would Cause Irreparable Harm to Multiple Types of Parties

95. Defendant-Intervenors admit that the definition of "Creditors" is as stated in the regulations, cited at FN 17. Defendant-Intervenors lack knowledge or information sufficient to form a belief about the allegations in Paragraph 95, and therefore deny said allegations.

96. Denied.

97. Denied.

98. Defendant-Intervenors lack knowledge or information sufficient to form a belief about the allegations in Paragraph 98, and therefore deny said allegations as stated.

99. Defendant-Intervenors lack knowledge or information sufficient to form a belief about the allegations in Paragraph 99, and therefore deny said allegations.

100. Denied.

101. Defendant-Intervenors lack knowledge or information sufficient to form a belief about the allegations in Paragraph 101, and therefore deny said allegations.

102. Defendant-Intervenors lack knowledge or information sufficient to form a belief about the allegations in Paragraph 102, and therefore deny said allegations. The document cited at FN 19 speaks for itself.

103. Defendant-Intervenors lack knowledge or information sufficient to form a belief about the allegations in Paragraph 103, and therefore deny said allegations. The document cited at FN 20 speaks for itself.

104. Defendant-Intervenors lack knowledge or information sufficient to form a belief about the allegations in Paragraph 104, and therefore deny said allegations.

105. Denied as stated.

106. Denied as stated.

107. Denied.

V. THE FINAL RULE SHOULD BE SET ASIDE BECAUSE THE CFPB IS UNCONSTITUTIONALLY FUNDED

A. The Supreme Court's CFPB Decision

108. The allegations in Paragraph 108 purport to characterize the Supreme Court's decision in *CFPB v. Cmty. Fin. Serv. Ass'n of Am., Ltd*., 601 U.S. 416 (2024), which speaks for itself.

109. The allegations in Paragraph 109 purport to characterize the Supreme Court's decision in *CFPB v. Cmty. Fin. Serv. Ass'n of Am., Ltd*., 601 U.S. 416 (2024), which speaks for itself.

B. The CFPB Lacks Funding to Promulgate or Enforce the Final Rule

110. The allegations in Paragraph 110 purport to characterize the Supreme Court's decision in *CFPB v. Cmty. Fin. Serv. Ass'n of Am., Ltd*., 601 U.S. 416 (2024), which speaks for itself.

111. Defendant-Intervenors lack knowledge or information sufficient to form a belief about the allegations in Paragraph 111, and therefore deny said allegations.

112. Denied.

113. Denied.

VI. RELIEF REQUESTED

114. Plaintiffs' relief requested does not require a response, but insofar as a response is deemed necessary, Defendant-Intervenors deny that Plaintiffs are entitled to the requested relief or to any relief whatsoever.

115. Plaintiffs' relief requested does not require a response, but insofar as a response is deemed necessary, Defendant-Intervenors deny that Plaintiffs are entitled to the requested relief or to any relief whatsoever.

116. Plaintiffs' relief requested does not require a response, but insofar as a response is deemed necessary, Defendant-Intervenors deny that Plaintiffs are entitled to the requested relief or to any relief whatsoever.

VI. CLAIMS FOR RELIEF

COUNT I

Administrative Procedure Act
(Excess of Statutory Jurisdiction, Authority, or Limitations, or Short of Statutory Right & Major Questions Doctrine)
5 U.S.C. § 706(2)(C)

117. Defendant-Intervenors repeat and incorporate by reference the foregoing.

118. Denied as legal conclusions; the cases and statute speak for themselves.

119. Denied as legal conclusions.

120. Denied as legal conclusions; the statute speaks for itself.

121. The allegation in Paragraph 121 purports to characterize the Notice which speaks for itself. Defendant-Intervenors lack knowledge or information sufficient to form a belief about the remaining allegations in Paragraph 121, and therefore deny said allegations.

122. Admitted.

123. Denied.

124. Denied as legal conclusions; the statute speaks for itself.

125. Denied as legal conclusions; the statute speaks for itself.

COUNT II

Administrative Procedure Act
(Arbitrary and Capricious)
5 U.S.C. §§ 553m 706(2)(A))

126. Defendant-Intervenors repeat and incorporate by reference the foregoing.

127. Denied.

128. Denied.

129. Denied.

130. Denied.

COUNT III

First Amendment
(Restriction of Speech Based on Content)
5 U.S.C. §§ 553, 706(2)(B); U.S. Const. amend. I

131. Defendant-Intervenors repeat and incorporate by reference the foregoing.

132. The allegations in Paragraph 132 purport to characterize the United States Constitution and various cases, which speaks for itself. To the extent that these allegations purport to be a legal conclusion, they are denied.

133. Denied as legal conclusions; the cases cited speak for themselves.

134. Denied as legal conclusions; the cases cited speak for themselves.

135. Denied.

136. Denied.

137. Denied as legal conclusions; the cases cited speak for themselves.

138. Denied.

139. Denied.

COUNT IV

U.S. Constitution and Administrative Procedure Act
(Appropriations Clause and Contrary to Constitutional Right)
12 U.S.C. § 5497, 5 U.S.C. § 706(2)(A), (B)

140. Defendant-Intervenors repeat and incorporate by reference the foregoing.

141. Denied as legal conclusions; the statutes cited speak for themselves.

142. Denied as legal conclusions; the cases cited speak for themselves.

143. Defendant-Intervenors lack knowledge or information sufficient to form a belief about the first allegation in Paragraph 143, and therefore deny said allegations. As to the second allegation, the statute speaks for itself.

144. Denied.

145. Denied as legal conclusions; the statute cited speaks for itself. Defendant-Intervenors deny the second sentence in Paragraph 145.

146. Denied as legal conclusions; the statute and case cited speak for themselves. Defendant-Intervenors deny the second sentence in Paragraph 146.

PRAYER FOR RELIEF

Plaintiffs' prayer for relief does not require a response, but insofar as a response is deemed necessary, Defendant-Intervenors deny that plaintiffs are entitled to the requested relief or to any relief whatsoever and as requested in Paragraphs 147-158.

AFFIRMATIVE DEFENSES

FIRST DEFENSE

The Complaint fails to state a claim or claims upon which relief can be granted.

SECOND DEFENSE

Plaintiffs lack standing to bring some, or all, of the claims contained in the complaint.

THIRD DEFENSE

The court lacks jurisdiction over the claims in the complaint.

FOURTH DEFENSE

Venue is not proper in this judicial district.

FIFTH DEFENSE

Defendant-Intervenors assert all other defenses to which they are or may be entitled to under Fed.R.Civ.P. 12(b).

SIXTH DEFENSE

Plaintiffs have failed to exhaust the available administrative remedies for some, or all, of their claims.

SEVENTH DEFENSE

Defendant-Intervenors specifically deny any and all allegations of the Complaint not herein specifically admitted, regardless of paragraph number, letter, or lack thereof.

WHEREFORE, Defendant-Intervenors respectfully submit their answer and affirmative defenses to Plaintiffs' Complaint, and move the Court for dismissal of the Complaint with prejudice, at Plaintiffs' sole cost, and that Defendant-Intervenors be granted such other and further relief as the Court may deem just and proper, including recovery of all costs and appropriate fees.

Dated: February 12, 2025

Respectfully submitted,

/s/ Carla Sanchez-Adams
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Counsel for Intervenors

* *motions for admission pro hac vice forthcoming*

CERTIFICATE OF SERVICE

I certify that on February 12, 2025, the foregoing document was filed on the Court's CM/ECF system which sent notification of such filing to all counsel of record.

/s/ *Carla Sanchez-Adams*

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

ACA INTERNATIONAL and SPECIALIZED COLLECTION SYSTEMS, INC. *Plaintiffs*, v. CONSUMER FINANCIAL PROTECTION BUREAU and the Acting Director of the Consumer Financial Protection Bureau, 1700 G. St. NW, Washington, DC 20552 *Defendants.*	No. 4:25-CV-00094

PROPOSED INTERVENORS' CORPORATE DISCLOSURE STATEMENT

Pursuant to Fed. R. Civ. P. 7.1, Proposed Organizational Intervenors submit this corporate disclosure statement:

1. Tzedek DC is a 501(c)(3) nonprofit corporation. Tzedek DC has no parent corporations, and no publicly held company owns ten percent or more of the organization.
2. New Mexico Center on Law and Poverty is a 501(c)(3) nonprofit corporation. New Mexico Center on Law and Poverty has no parent corporations, and no publicly held company owns ten percent or more of the organization.

Dated: February 12, 2025

Respectfully submitted:

/s/ *Carla Sanchez-Adams*
Carla Sanchez-Adams
Texas Bar No. 24070552

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Counsel for Proposed Intervenors

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/s/ *Carla Sanchez-Adams*