

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

ACA INTERNATIONAL and
SPECIALIZED COLLECTION SYSTEMS,
INC.,

Plaintiffs,

v.

CONSUMER FINANCIAL PROTECTION
BUREAU and RUSSELL VOUGHT, in his
official capacity as Acting Director of the
CFPB,

Defendants.

No. 4:25-cv-00094

**STATUS REPORT AND
UNOPPOSED MOTION TO CONTINUE STAY OF PROCEEDINGS**

Defendants the Consumer Financial Protection Bureau and Russell Vought, in his official capacity as Acting Director of the Bureau, respectfully move to continue the stay of this litigation until seven days following an order resolving the joint motion for entry of a consent judgment that is pending in *Cornerstone Credit Union League, et al. v. Consumer Financial Protection Bureau, et al.*, No. 4:25-cv-00016-SDJ (E.D. Tex.). The effective date of the rule challenged by Plaintiffs in this action, “Prohibition on Creditors and Consumer Reporting Agencies Concerning Medical Information (Regulation V)” (Rule), 90 Fed. Reg. 3276 (Jan. 14, 2025), has already been stayed until July 28, 2025 by the court in *Cornerstone*, and Defendants have already sought vacatur of the Rule in that case. Because resolution of the pending motion in *Cornerstone* may moot these proceedings, to conserve the Parties’ and this Court’s resources, Defendants respectfully request that the Court stay these proceedings. Plaintiffs ACA

International and Specialized Collection Systems, Inc. consent to this motion. Proposed Defendant-Intervenors, David Deeds, Tzedek DC, New Mexico Center on Law and Poverty, and Harvey Coleman—whose intervention motion has not been adjudicated—oppose the motion.

I. Nature and Stage of the Proceedings

Plaintiffs initiated this action on January 8, 2025 challenging the validity of the Rule on multiple grounds. *See* Compl., ECF No. 1. On January 24, Plaintiffs moved for a preliminary injunction, seeking to stay the Rule pursuant to 5 U.S.C. § 705. *See* Mot. at 6, ECF No. 14.

An earlier-filed action challenging the same Rule is pending in the U.S. District Court for the Eastern District of Texas. *See Cornerstone*, No. 4:25-cv-00016-SDJ. On February 6, 2025, that court stayed the Rule for 90 days, pursuant to 5 U.S.C. § 705, thereby extending the Rule’s effective date from March 17, 2025 until June 15, 2025—and correspondingly stayed that litigation for 90 days. *See Cornerstone*, No. 4:25-cv-00016-SDJ, ECF No. 24 (Feb. 6, 2025) (attached as Exhibit A).

In this matter, on February 12, Proposed Defendant-Intervenors filed a motion to intervene to defend the Rule. ECF No. 23. The same proposed intervenors have also sought to intervene in the *Cornerstone* case.

After the *Cornerstone* court stayed the effective date of the Rule for 90 days, this Court issued an order on February 13 staying this matter for 90 days and ordering Defendants to file regular status reports stating its position as to the enforceability of the Rule. ECF No. 28. Any opposition to Plaintiffs’ motion for preliminary injunction is currently due May 15.

II. Statement of Relevant Facts

On April 30, the plaintiffs and defendants in *Cornerstone* filed a Joint Motion for Entry of Consent Judgment, seeking vacatur of the Rule. *Cornerstone*, No. 4:25-cv-00016-SDJ, ECF

No. 31 (attached as Exhibit B). On May 6, the *Cornerstone* plaintiffs, defendants, and proposed defendant-intervenors filed a joint motion to grant proposed defendant-intervenors' motion to intervene, further delay the effective date of the Rule, and set a briefing schedule on the Joint Motion for Entry of Consent Judgment and for defendant-intervenors to file an opposition to the *Cornerstone* plaintiffs' motion for preliminary injunction. *Id.*, ECF No. 33 (attached as Exhibit C). On May 9, the *Cornerstone* court granted in relevant part the parties' joint motion. *Id.*, ECF No. 36 (attached as Exhibit D). The *Cornerstone* court extended the effective date of the Rule until July 28, set a briefing schedule on the parties' pending motions, and scheduled oral argument on those motions for June 11. *Id.*

III. Statement of Issues

The question presented in this motion is whether the Court should stay proceedings in this action, where Plaintiffs will face no prejudice from the stay, and a stay would conserve the parties' and judicial resources by allowing a challenge to the same Rule in an earlier-filed action to proceed, which may moot the issues presented in this case. The decision to stay a case is an issue left to this Court's discretion. *See Dominguez v. Hartford Fin. Servs. Grp., Inc.*, 530 F. Supp. 2d 902, 905 (S.D. Tex. 2008).

IV. Summary of Argument

Defendants have already sought vacatur of the Rule in the *Cornerstone* matter and the effective date of the Rule has already been extended to July 28. Plaintiffs will suffer no prejudice if this action is stayed pending resolution of the pending motion for entry of a consent judgment in *Cornerstone* that, if granted, will moot this action.

V. Argument

“A district court has the inherent power to stay cases to control its docket and promote efficient use of judicial resources.” *Coker v. Select Energy Servs., LLC*, 161 F. Supp. 3d 492, 494–95 (S.D. Tex. 2015). The decision on whether to stay a pending matter “is ordinarily within the trial court’s wide discretion to control the course of litigation[.]” *Dominguez*, 530 F. Supp. 2d at 905. In determining whether to grant a stay, courts in this district generally consider three factors: “(1) the potential prejudice to plaintiffs from a brief stay; (2) the hardship to defendants if the stay is denied; and (3) the judicial efficiency in terms of the simplifying or complicating of issues, proof, and questions of law which could be expected to result from a stay.” *Coker*, 161 F. Supp. 3d at 495. Each of these factors counsels in favor of granting a stay of this action.

First, because the effective date of the Rule has already been stayed until July 28, Plaintiffs will not suffer prejudice in staying this litigation pending resolution of the pending joint motion for consent judgment in *Cornerstone*.

Second, Defendants and the public would face significant hardship if a stay were not granted. Opposition to Plaintiffs’ Motion for Preliminary Injunction in this case is due May 15, but Defendants have already sought vacatur of the Rule in the *Cornerstone* case. Proceeding in this action could unnecessarily waste government resources while the motions pending in *Cornerstone* are litigated.

Third, a stay will promote judicial efficiency, as it may allow the Court to avoid having to make determinations about an agency regulation that may be vacated by an earlier-filed matter.

VI. Conclusion

For the foregoing reasons, Defendants respectfully request that the Court extend the stay of this litigation until seven days following a ruling on the pending joint motion for consent judgment in *Cornerstone*.

Date: May 13, 2025

Respectfully submitted,

MARK PAOLETTA

Chief Legal Officer

DANIEL SHAPIRO

Deputy Chief Legal Officer

VICTORIA DORFMAN

Senior Legal Advisor

/s/ Amanda J. Krause

Amanda J. Krause (N.Y. Reg. No. 5323357)

Andrea J. Matthews (M.A. Bar No. 694538)

Senior Counsel

Consumer Financial Protection Bureau

1700 G Street, NW

Washington, DC 20552

(202) 435-7965 (phone)

(202) 435-7024 (fax)

Amanda.Krause@cfpb.gov

Counsel for Defendants the Consumer

Financial Protection Bureau and Russell Vought

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of this Status Report and Unopposed Motion to Continue Stay of Proceedings was filed electronically through the Court's ECF system.

DATE: May 13, 2025

/s/ Amanda J. Krause

CERTIFICATE OF CONFERENCE

Pursuant to Local Rule 7.1(D), I hereby certify that on May 9, 12, and 13, 2025, I conferred with counsel for Plaintiffs, Sarah Auchterlonie, and counsel for Proposed Defendant-Intervenors, Jennifer Wagner, by email. Plaintiffs consent to this motion. Proposed Defendant-Intervenors oppose the motion.

DATE: May 13, 2025

/s/ Amanda J. Krause

Exhibit A

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

CORNERSTONE CREDIT UNION
LEAGUE, ET AL.

v.

CONSUMER FINANCIAL
PROTECTION BUREAU, ET AL.

§
§
§
§
§
§

CIVIL NO. 4:25-CV-16-SDJ

ORDER

Before the Court is Defendants’ Notice of Relevant Developments and Unopposed Motion to Stay Proceedings. (Dkt. #23).¹ In the motion, Defendants request three types of relief, all of which are agreed-to by Plaintiffs Cornerstone Credit Union League and Consumer Data Industry Association. First, Defendants request that the Court enter an agreed-upon “90-day stay of the Rule’s² March 17, 2025, effective date (*i.e.*, a stay of the effective date until June 15, 2025).” (Dkt. #23 at 1–2). Second, Defendants request a 90-day stay of this litigation. (Dkt. #23 at 2). Third, Defendants request the Court to “vacate the February 10 hearing on Plaintiffs’ motion for Preliminary Injunction.” (Dkt. #23 at 2). After full consideration, Defendants’ motion is **GRANTED**.

¹ Defendants are the Consumer Financial Protection Bureau (CFPB) and Scott Bessent, in his official capacity as Acting Director of the Bureau. This suit was filed against the CFPB and Rohit Chopra in his official capacity as Director of the CFPB. Chopra has been replaced by Acting Director of the Bureau Scott Bessent, who is automatically substituted as a party under Federal Rule of Civil Procedure 25(d).

² Prohibition on Creditors and Consumer Reporting Agencies Concerning Medical Information (Regulation V), 90 Fed. Reg. 3276 (Jan. 14, 2025).

It is therefore **ORDERED** that Defendants' request for the entry of an agreed-upon, 90-day preliminary injunction is **GRANTED**, and the effective date of the Prohibition on Creditors and Consumer Reporting Agencies Concerning Medical Information (Regulation V), 90 Fed. Reg. 3276 (Jan. 14, 2025), is **STAYED** under 5 U.S.C. § 705 until **June 15, 2025**.

It is further **ORDERED** that all deadlines scheduled in this matter are **STAYED** until **May 7, 2025**.

It is further **ORDERED** that the hearing on Plaintiffs' Motion for a Preliminary Injunction is rescheduled to **May 12, 2025**, at **1:00 p.m.** at the United States Courthouse located at 7940 Preston Road, Courtroom 105, Plano, Texas.

So ORDERED and SIGNED this 6th day of February, 2025.



SEAN D. JORDAN
UNITED STATES DISTRICT JUDGE

Exhibit B

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

CORNERSTONE CREDIT UNION
LEAGUE and CONSUMER DATA
INDUSTRY ASSOCIATION,

Plaintiffs,

v.

CONSUMER FINANCIAL PROTECTION
BUREAU and RUSSELL VOUGHT in his
official capacity as Acting Director of the
CFPB,

Defendants.

Civil Action No. 4:25-cv-00016-SDJ

JOINT MOTION FOR ENTRY OF CONSENT JUDGMENT

Defendants the Consumer Financial Protection Bureau and Russell Vought (collectively, “the Bureau”) and Plaintiffs Cornerstone Credit Union League (“Cornerstone”) and Consumer Data Industry Association (“CDIA”) jointly move for (i) the entry of a consent judgment as to Counts I, II, and III of the Complaint (ECF 1), and (ii) dismissal of all other claims in the complaint with prejudice, including those contained in Count IV.

In support of this motion, the parties state the following:

1. On January 7, 2025, the Bureau issued the Prohibition on Creditors and Consumer Reporting Agencies Concerning Medical Information (Regulation V), 90 Fed. Reg. 3276 (Jan. 14, 2025) (“Medical Debt Rule” or “Rule”). That Rule has three primary components. *First*, it generally prohibits consumer reporting agencies (“CRAs”) from including medical debt information on a consumer report furnished to a creditor. *Id.* at 3373–74. *Second*, the Rule generally bars creditors from considering a consumer’s medical debt when making credit

decisions, even if that information is coded to protect the identity of the consumer. *Id.* at 3372–73; *see* 12 C.F.R. § 1022.30(b). *Third*, the Rule prohibits CRAs from reporting medical debt information to a creditor unless they have “reason to believe the creditor is not otherwise legally prohibited from obtaining or using the medical debt information, including by a State law.” 90 Fed. Reg. at 3374.

2. The same day the rule issued, Plaintiffs sued. They raised four counts, including Counts I, II, and III, all of which allege that the Medical Debt Rule should be set aside under the Administrative Procedure Act because the Rule violates the Fair Credit Reporting Act (“FCRA”) and is, therefore, contrary to law. Count I alleges that the Medical Debt Rule violates 15 U.S.C. § 1681b(g)(1), which expressly permits CRAs to report coded medical debt information to creditors. *See* Compl. ¶¶ 60–71. Count II alleges that the Rule violates 15 U.S.C. § 1681b(g)(2), which expressly permits creditors to consider coded medical debt information when making credit decisions. Compl. ¶¶ 72–80. And Count III alleges that there is no statutory basis for the Bureau to limit the kinds of information CRAs may furnish based on the content of the report or state law applicable to creditors. Compl. ¶¶ 81–89; *see also* 15 U.S.C. § 1681t(a).

3. Plaintiffs moved for a preliminary injunction on January 10, 2025. The Bureau opposed the motion on January 23, and Plaintiffs filed their reply brief on January 27. The Court set a hearing for February 10.

4. After the change in presidential administrations, the Bureau conferred with Plaintiffs and submitted an unopposed motion requesting a 90-day preliminary injunction, staying the effective date of the Medical Debt Rule under 5 U.S.C. § 705 until June 15, 2025. The Court granted the motion, stayed all deadlines in the case until May 7, and rescheduled the preliminary injunction hearing for May 12.

5. On February 24, 2025, two individuals with medical debt and two organizations who purportedly assist individuals with medical debt sought to intervene in the case. Plaintiffs opposed the motion, and the putative intervenors' motion is still pending.

6. The parties now agree that, as alleged in Count I, the Medical Debt Rule exceeds the Bureau's authority and is contrary to law because it violates § 1681b(g)(1). That provision states:

[a] consumer reporting agency shall not furnish ... a consumer report that contains medical information (other than medical contact information treated in the manner required under section 1681c(a)(6) of this title) about a consumer, *unless* ... the information to be furnished pertains solely to transactions, accounts, or balances relating to debts arising from the receipt of medical services, products, or devi[c]es, where such information, other than account status or amounts, is restricted or reported using codes that do not identify, or do not provide information sufficient to infer, the specific provider or the nature of such services, products, or devices, as provided in section 1681c(a)(6) of this title.

15 U.S.C. § 1681b(g)(1)(C) (emphasis added). More simply, § 1681b(g)(1) expressly permits CRAs to include a consumer's medical debt information on their consumer report, as long as the information is coded to hide the consumer's underlying health condition, procedure, or provider. The Medical Debt Rule contradicts that provision by prohibiting CRAs from furnishing medical debt information to creditors—even coded information. *See also* Plfs' Mot. for Preliminary Injunction (ECF 9), at 7–10. “Nothing,” however, “authorizes an agency to modify unambiguous requirements imposed by a federal statute.” *Util. Air Regul. Grp. v. EPA*, 573 U.S. 302, 327 (2014). The parties accordingly ask this Court to find that the Medical Debt Rule is contrary to law.

7. The parties also agree that, as alleged in Count II, the Medical Debt Rule exceeds the Bureau’s authority and is contrary to law because it violates § 1681b(g)(2). Section 1681b(g)(2) provides:

Except as permitted pursuant to paragraph (3)(C) or regulations prescribed under paragraph (5)(A), a creditor shall not obtain or use medical information (*other than* medical information treated in the manner required under section 1681c(a)(6) of this title) pertaining to a consumer in connection with any determination of the consumer’s eligibility, or continued eligibility, for credit.

15 U.S.C. § 1681b(g)(2) (emphasis added). In other words, creditors *may* consider medical information that is “reported using codes that do not identify, or provide information sufficient to infer, the specific provider or the nature of such services, products, or devices to a person other than the consumer.” *Id.* § 1681c(a)(6)(A). The Medical Debt Rule, by contrast, prohibits creditors from using even coded information about medical debt to make credit decisions. Again, the Rule contradicts the clear and unambiguous language of the statute. *See also* Plfs’ Mot. for Preliminary Injunction (ECF 9), at 11–13. The parties accordingly ask this Court to find that the Rule is contrary to law.

8. The parties also agree that, as alleged in Count III, the Medical Debt Rule exceeds the Bureau’s authority and is contrary to law because it relies on an erroneous interpretation of 15 U.S.C. § 1681b(a). Section 1681b(a) provides that CRAs may only furnish consumer reports for enumerated permissible purposes, including to a creditor “in connection with a credit transaction involving the consumer on whom the information is to be furnished.” 15 U.S.C. § 1681b(a)(3)(A). Nothing in that section states that the permissibility of furnishing a consumer report depends on whether the report includes properly coded medical debt information, let alone state laws governing what information creditors can consider. *See* Plfs’ Mot. for Preliminary Injunction (ECF 9), at 13–15.

9. In this Circuit, when an agency action is contrary to law, the “default rule is that vacatur is the appropriate remedy.” *Rest. L. Ctr. v. U.S. Dep’t of Lab.*, 120 F.4th 163, 177 (5th Cir. 2024) (quoting *Data Mktg. P’ship, LP v. U.S. Dep’t of Lab.*, 45 F.4th 846, 859 (5th Cir. 2022)); accord *Braidwood Mgmt., Inc. v. Becerra*, 104 F.4th 930, 952 (5th Cir. 2024); *Chamber of Com. v. SEC*, 88 F.4th 1115, 1118 (5th Cir. 2023); see also *Chamber of Com. v. CFPB*, 2025 WL 1110761, at *1 (N.D. Tex. Apr. 15, 2025) (granting motion for entry of consent judgment and vacating CFPB’s credit card late fee rule as contrary to law). The parties agree that the default rule applies in this case because the Bureau could not rectify the defect in the Medical Debt Rule on a remand to the agency. See *Rest. L. Ctr.*, 120 F.4th at 177.

10. Accordingly, the parties request that the Court enter a final judgment holding unlawful and vacating the Medical Debt Rule because it exceeds the Bureau’s statutory authority and violates 15 U.S.C. § 1681b(g)(1)–(2) and the Administrative Procedure Act.

11. The parties request that the Court dismiss the remaining claims, contained in Count IV, with prejudice. The parties agree that such dismissal would not in any way foreclose challenges to other Bureau regulations, and that the Bureau will not argue issue or claim preclusion forecloses such a future challenge.

12. Plaintiffs and Defendants will bear their own costs and fees.

13. As to the pending motion to intervene, because this case presents purely legal questions that have already been subject to vigorous adversarial briefing, intervenors can add little to the arguments already submitted. Should the Court nonetheless grant the motion to intervene either in whole or in part, the parties request that the Court order the intervenors to file promptly any objections to the proposed consent order and give Plaintiffs and the Bureau commensurate time to respond.

DATED: April 30, 2025

Respectfully Submitted,

MARK PAOLETTA
Chief Legal Officer

DANIEL SHAPIRO
Deputy Chief Legal Officer

VICTORIA DORFMAN
Senior Legal Advisor

CHRISTOPHER DEAL
Assistant General Counsel for Litigation

/s/ Andrea J. Matthews
Andrea J. Matthews (M.A. Bar No. 694538)
Pro hac vice
Senior Counsel
Consumer Financial Protection Bureau
1700 G Street NW
Washington, DC 20552
andrea.matthews@cfpb.gov
(202) 407-2324

***Counsel for Defendants Consumer
Financial Protection Bureau and Russell
Vought***

/s/ Alex More
Alex More
TX Bar No. 24065789
Andrea C. Reed
TX Bar No. 24121791
CARRINGTON, COLEMAN, SLOMAN &
BLUMENTHAL, L.L.P.
901 Main Street
Suite 5500
Dallas, TX 75202
Tel: (214) 855-3053
amore@ccsb.com

Ryan T. Scarborough (admitted *pro hac
vice*)

DC Bar No. 466956
Jesse T. Smallwood (admitted *pro hac vice*)
DC Bar No. 495961
William R. Murray, Jr. (admitted *pro hac vice*)
DC Bar No. 384797
Christopher J. Baldacci (admitted *pro hac vice*)
DC Bar No. 90007281
WILLIAMS & CONNOLLY LLP
680 Maine Ave., SW
Washington, DC 20024
Tel: (202) 434-5000
rscarborough@wc.com
jsmallwood@wc.com
bmurray@wc.com
cbaldacci@wc.com

Eric Blankenstein (admitted *pro hac vice*)
DC Bar No. 997865
LAW OFFICES OF ERIC BLANKENSTEIN PLLC
1701 Pennsylvania Ave., NW, #200
Washington, DC 20006
eric@blankensteinlegal.com

***Counsel for Plaintiffs Cornerstone Credit
Union League and Consumer Data Industry
Association***

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of this Motion was filed electronically through the Court's ECF system.

DATED: April 30, 2025

/s/ Andrea J. Matthews

Exhibit C

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION**

CORNERSTONE CREDIT UNION
LEAGUE and CONSUMER DATA
INDUSTRY ASSOCIATION,

Plaintiffs,

v.

CONSUMER FINANCIAL PROTECTION
BUREAU and RUSSELL VOUGHT in his
official capacity as Acting Director of the
CFPB,

Defendants.

Civil Action No. 4:25-cv-00016-SDJ

**JOINT MOTION TO GRANT INTERVENTION, DELAY THE EFFECTIVE DATE OF
THE MEDICAL DEBT RULE, AND SET BRIEFING SCHEDULE**

In response to this Court's April 30, 2025 order (ECF 32), Defendants Consumer Financial Protection Bureau and Russell Vought, Plaintiffs Cornerstone Credit Union League and Consumer Data Industry Association, and Proposed Defendant-Intervenors David Deeds, Harvey Coleman, Tzedek DC, and New Mexico Center on Law and Poverty jointly move the Court to: (i) grant Proposed Intervenors' motion to intervene (ECF 26), (ii) further stay the effective date of the challenged Medical Debt Rule for a brief period, and (iii) set a briefing schedule that would allow the Intervenors to submit their responses to the proposed consent judgment and preliminary injunction motion and give Plaintiffs and Defendants an opportunity to reply.

In support of this motion, Plaintiffs, Defendants, and Proposed Intervenors (collectively the "Parties") state the following:

1. Pending before this Court are Plaintiffs’ Motion for a Preliminary Injunction (ECF 9), Proposed Intervenor’s Motion to Intervene (ECF 26), and Plaintiffs and Defendants’ Joint Motion to Approve Consent Judgment (ECF 31).

2. The Parties agree that the Motion to Intervene should be granted, and David Deeds, Harvey Coleman, Tzedek DC, and New Mexico Center on Law and Poverty should be permitted to intervene.¹

3. On February 6, 2025, and pursuant to 5 U.S.C. § 705, this Court stayed until June 15 the effective date of the challenged Prohibition on Creditors and Consumer Reporting Agencies Concerning Medical Information (Regulation V), 90 Fed. Reg. 3276 (Jan. 14, 2025) (“Medical Debt Rule”). At that time, 39 days remained before the effective date of the Medical Debt Rule. The Parties agree and request that the effective date of the rule continue to be stayed under 5 U.S.C. § 705 until 39 days after this Court rules on Plaintiffs’ Motion for a Preliminary Injunction.

4. The Parties agree to the following briefing schedule:

- The Intervenor’s response in opposition to the Joint Motion to Approve Consent Judgment and the Motion for Preliminary Injunction will be due on the later of May 21, 2025, or fourteen days after the Court rules on this Joint Motion to Grant Intervention, Delay the Effective Date of the Medical Debt Rule, and Set Briefing Schedule.
- Plaintiffs’ and Defendants’ replies in support of their Joint Motion to Approve Consent Judgment and Plaintiffs’ Motion for Preliminary Injunction will be due on the later of May 30, 2025, or seven days after Intervenor’s opposition is filed.

¹ The Parties met, conferred, and reached this agreement in order to expedite a resolution on the merits and streamline disputed issues.

5. As specified above, the Parties respectfully request that the Court enter an order granting Proposed Intervenor's Motion to Intervene for the above-stated purposes, further staying the effective date of the Medical Debt Rule until 39 days after the Court rules on Plaintiffs' Motion for a Preliminary Injunction, and setting the proposed briefing schedule.

6. The Parties also request that the Court set a hearing date on Plaintiffs' and Defendants' Joint Motion to Approve Consent Judgment (ECF 31) and Plaintiffs' Motion for Preliminary Injunction (ECF 9) for as soon as is practicable.

DATED: May 6, 2025

Respectfully Submitted,

MARK PAOLETTA
Chief Legal Officer

DANIEL SHAPIRO
Deputy Chief Legal Officer

VICTORIA DORFMAN
Senior Legal Advisor

CHRISTOPHER DEAL
Assistant General Counsel for Litigation

/s/ Andrea J. Matthews
Andrea J. Matthews (admitted *pro hac vice*)
MA Bar No. 694538
Consumer Financial Protection Bureau
1700 G Street NW
Washington, DC 20552
andrea.matthews@cfpb.gov
(202) 407-2324

***Counsel for Defendants Consumer
Financial Protection Bureau and Russell
Vought***

/s/ Alex More
Alex More
TX Bar No. 24065789
Andrea C. Reed
TX Bar No. 24121791

CARRINGTON, COLEMAN, SLOMAN &
BLUMENTHAL, L.L.P.
901 Main Street
Suite 5500
Dallas, TX 75202
Tel: (214) 855-3053
amore@ccsb.com

Ryan T. Scarborough (admitted *pro hac*
vice)
DC Bar No. 466956
Jesse T. Smallwood (admitted *pro hac vice*)
DC Bar No. 495961
William R. Murray, Jr. (admitted *pro hac*
vice)
DC Bar No. 384797
Christopher J. Baldacci (admitted *pro hac*
vice)
DC Bar No. 90007281
WILLIAMS & CONNOLLY LLP
680 Maine Ave., SW
Washington, DC 20024
Tel: (202) 434-5000
rscarborough@wc.com
jsmallwood@wc.com
bmurray@wc.com
cbaldacci@wc.com

Eric Blankenstein (admitted *pro hac vice*)
DC Bar No. 997865
LAW OFFICES OF ERIC BLANKENSTEIN PLLC
1701 Pennsylvania Ave., NW, #200
Washington, DC 20006
eric@blankensteinlegal.com

***Counsel for Plaintiffs Cornerstone Credit
Union League and Consumer Data Industry
Association***

/s/ Jennifer S. Wagner

Jennifer S. Wagner (admitted *pro hac vice*)
Chi Chi Wu (admitted *pro hac vice*)
National Consumer Law Center
7 Winthrop Square
Boston, MA 02110
Tel: (617) 542-8010

jwagner@nclc.org
cwu@nclc.org

Carla Sanchez-Adams
TX Bar No. 24070552
National Consumer Law Center
1001 Connecticut Avenue, NW, Suite 510,
Washington, DC, 20036
Tel: (202) 452-6252
Fax: (202) 296-4062
csanchezadams@nclc.org

Counsel for Proposed Intervenor

CERTIFICATE OF CONFERENCE

I hereby certify that counsel for all parties and the Proposed Intervenors have complied with the meet and confer requirement in Local Rule CV-7(h), and this motion is unopposed—the parties and the Proposed Intervenors file this motion jointly.

/s/ Alex More

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of this Motion was filed electronically through the Court's ECF system.

/s/ Alex More

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

CORNERSTONE CREDIT UNION	§	
LEAGUE and CONSUMER DATA	§	
INDUSTRY ASSOCIATION,	§	
	§	CIVIL NO. 4:25-cv-00016
v.	§	
	§	
CONSUMER FINANCIAL	§	
PROTECTION BUREAU and	§	
RUSSELL VOUGHT in his official	§	
capacity as Acting Director of the	§	
CFPB	§	

ORDER

Before the Court is a Joint Motion to Grant Intervention, Further Delay the Effective Date of the Medical Debt Rule, and Set Briefing Schedule (Dkt. #33), filed by Plaintiffs Cornerstone Credit Union League and Consumer Data Industry Association, Defendants Consumer Financial Protection Bureau and Russell Vought, and Proposed Intervenors David Deeds, Harvey Coleman, Tzedek DC, and New Mexico Center on Law and Poverty.

Having considered the motion, it is **ORDERED** that Proposed Intervenors' Motion to Intervene (Dkt. #26) is **GRANTED**.

It is also hereby **ORDERED** that the effective date of the Prohibition on Creditors and Consumer Reporting Agencies Concerning Medical Information (Regulation V), 90 Fed. Reg. 3276 (Jan. 14, 2025), is **STAYED** pursuant to 5 U.S.C. § 705 until 39 days after this Court rules on Plaintiffs' Motion for a Preliminary Injunction (Dkt. #9).

Intervenors are **ORDERED** to submit their responses to the pending Joint Motion to Approve Consent Judgment (Dkt. #31) and Plaintiffs' Motion for Preliminary Injunction (Dkt. #9) by May 21, 2025, or fourteen days after the date of this order (whichever is later).

Plaintiffs and Defendants are **ORDERED** to submit reply briefs in support of their Joint Motion to Approve Consent Judgment (Dkt. #31) and Plaintiffs' Motion for Preliminary Injunction (Dkt. #9) by May 30, 2025, or seven days after Intervenors' opposition (whichever is later).

It is further **ORDERED** that a hearing on Plaintiffs' and Defendants' Joint Motion to Approve Consent Judgment (Dkt. #31) and Plaintiffs' Motion for Preliminary Injunction (Dkt. #9) is scheduled for _____, at _____, at the United States Courthouse located at 7940 Preston Road, Courtroom 105, Plano, Texas.

So ORDERED and SIGNED on this __ day of _____ .

SEAN D. JORDAN
UNITED STATES DISTRICT JUDGE

Exhibit D

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

CORNERSTONE CREDIT UNION	§	
LEAGUE, ET AL.	§	
	§	
v.	§	CIVIL NO. 4:25-CV-16-SDJ
	§	
CONSUMER FINANCIAL	§	
PROTECTION BUREAU, ET AL.	§	

ORDER

Before the Court is the parties’ Joint Motion to Grant Intervention, Delay the Effective Date of the Medical Debt Rule, and Set Briefing Schedule. (Dkt. #33). The motion has four main requests. First, the parties agree that Proposed Intervenors’¹ Motion to Intervene, (Dkt. #26), should be granted. Second, the parties “request that the effective date of the rule continue to be stayed under 5 U.S.C. § 705 until 39 days after this Court rules on Plaintiffs’ Motion for a Preliminary Injunction.” (Dkt. #33 at 2). Third, the parties request that the Court set the following briefing schedule:

- The Intervenors’ response in opposition to the Joint Motion to Approve Consent Judgment and the Motion for Preliminary Injunction will be due on May 21, 2025.
- Plaintiffs’ and Defendants’ replies in support of their Joint Motion to Approve Consent Judgment and Plaintiffs’ Motion for Preliminary Injunction will be due on May 30, 2025.

(Dkt. #33 at 2).

¹ Proposed Intervenors include David Deeds, Harvey Coleman, Tzedek DC, and New Mexico Center on Law and Poverty.

Fourth, the parties “request that the Court set a hearing date on Plaintiffs’ and Defendants’ Joint Motion to Approve Consent Judgment, (Dkt. #31), and Plaintiffs’ Motion for Preliminary Injunction, (Dkt. #9), for as soon as is practicable. After full consideration, the motion is **GRANTED IN PART**.

It is therefore **ORDERED** that Proposed Intervenor’s Motion to Intervene, (Dkt. #26), is **GRANTED**. David Deeds, Harvey Coleman, Tzedek DC, and New Mexico Center on Law and Poverty may intervene as Defendants in this case under Federal Rule of Civil Procedure 24(b)(1)(B).

It is further **ORDERED** that the effective date of the Prohibition on Creditors and Consumer Reporting Agencies Concerning Medical Information (Regulation V), 90 Fed. Reg. 3276 (Jan. 14, 2025), is **STAYED** until **July 28, 2025**.

It is further **ORDERED** that the following briefing schedule is set:

- The Intervenor’s may file a response in opposition to the Joint Motion to Approve Consent Judgment and the Motion for Preliminary Injunction by **May 22, 2025**.
- Plaintiffs’ and Defendants’ replies in support of their Joint Motion to Approve Consent Judgment and Plaintiffs’ Motion for Preliminary Injunction is due on **May 30, 2025**.

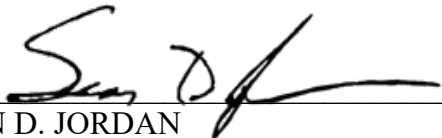
It is further **ORDERED** that Plaintiffs’ and Defendants’ Joint Motion to Approve Consent Judgment, (Dkt. #31), and Plaintiffs’ Motion for Preliminary Injunction, (Dkt. #9), are set for hearing on **June 11, 2025, at 1:00 p.m.** at the United States Courthouse, 7940 Preston Road, Courtroom 105, Plano, Texas, 75024.

In addition, “[u]nder Federal Rule of Civil Procedure 65, “[b]efore or after beginning the hearing on a motion for a preliminary injunction, the court may advance the trial on the merits and consolidate it with the hearing.” FED. R. CIV. P.

65(a)(2) (emphasis added). When the outcome on the merits “is plain at the preliminary injunction stage, the judge *should*, after due notice to the parties, merge the stages and enter a final judgment.” *Curtis 1000, Inc. v. Suess*, 24 F.3d 941, 945 (7th Cir. 1994). Because the parties’ Joint Motion for Entry of Consent Judgment, (Dkt. #31), is before the Court, and there does not appear to be a need to further develop the record to resolve this case, the Court will advance the trial on the merits and consolidate it with the upcoming hearing on June 11, 2025.

It is therefore **ORDERED** that, in the parties’ briefing, all parties shall file any written objections to the Court advancing the hearing on the merits and consolidating it with the preliminary injunction hearing.

So ORDERED and SIGNED this 9th day of May, 2025.


SEAN D. JORDAN
UNITED STATES DISTRICT JUDGE

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

ACA INTERNATIONAL and
SPECIALIZED COLLECTION SYSTEMS,
INC.,

Plaintiffs,

v.

CONSUMER FINANCIAL PROTECTION
BUREAU and RUSSELL VOUGHT, in his
official capacity as Acting Director of the
CFPB,

Defendants.

No. 4:25-cv-00094

**[PROPOSED] ORDER GRANTING DEFENDANTS’
UNOPPOSED MOTION TO CONTINUE STAY OF PROCEEDINGS**

Before the Court is Defendants’ Status Report and Unopposed Motion to Continue Stay of Proceedings. Upon consideration of the papers submitted, it is hereby **ORDERED** that Defendants’ Motion to Stay this matter is **GRANTED**. This action is **STAYED** until seven days after a ruling on the pending Joint Motion for Entry of Consent Judgment in *Cornerstone Credit Union League, et al. v. Consumer Financial Protection Bureau, et al.*, No. 4:25-cv-00016-SDJ (E.D. Tex.).

Dated: _____

SIM LAKE
SENIOR UNITED STATES DISTRICT JUDGE