UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF TEXAS
AUSTIN DIVISION

CONSUMER DATA INDUSTRY ASSOCIATION, **Plaintiff,** v. **STATE OF TEXAS THROUGH KEN PAXTON, IN HIS OFFICIAL CAPACITY AS ATTORNEY GENERAL FOR THE STATE OF TEXAS,** **Defendant.**	§ § § § § § § § § § § § §	**No. 1:19-CV-00876-RP**

JOINT STATUS REPORT

Pursuant to the Court's Text Order continuing the agreed-upon stay in this case (Dkt. No. 78) Plaintiff Consumer Data Industry Association ("CDIA"), and Defendant State of Texas through Ken Paxton, in his Official Capacity as Attorney General for the State of Texas (collectively "the Parties"), hereby submit the following status report, and jointly seek a continued stay of the case in light of the significant developments detailed below.

The Consumer Financial Protection Bureau ("CFPB") issued a notice of proposed rulemaking on June 11, 2024 proposing to largely ban the reporting of medical debt information in consumer reports, which could have implications on this case.[1] The comment period closed on August, 12, 2024 and over 70,000 people submitted comments on the rule, including CDIA and its members. The CFPB published a final rule January 7, 2025, largely adopting the restrictions

[1] The proposed rule can be found at: https://files.consumerfinance.gov/f/documents/cfpb_fcra-med-debt-proposed-rule_2024-06.pdf

on reporting information in the notice of proposed rulemaking to prevent the reporting of medical debt in a large percentage of consumer reports.[2]

Shortly after its publication, industry trade associations, including CDIA, filed a Complaint in the U.S. District Court for the Eastern District of Texas, seeking a declaratory judgment that the rulemaking violated the Administrative Procedures Act, and that CFPB exceeded its authority with respect to that rulemaking.[3] The parties are briefing a motion for a preliminary injunction, which is set for argument May 12, 2025. As a result of this litigation, and the change in administration, the CFPB proposed a stay of both the effective date of the Medical Debt Rule, and the litigation, which the court granted. Thus, the effective date of the Medical Debt Rule has been stayed to June 15, 2025, and the litigation stayed until after the May 2025 hearing.

Determining the scope and effect of Medical Debt Rule, and its implications on the issues and rights of the parties before this Court, is still of critical importance. Thus, the Parties respectfully and jointly submit that the Court enter an order further extending the stay of this case for another 90 days, to July 1, 2025.

Dated: April 2, 2025

[2]The final rule is published at 90 Fed. Reg. 3276 (Jan. 14, 2025), and may be found here: https://www.govinfo.gov/content/pkg/FR-2025-01-14/pdf/2024-30824.pdf (the "Medical Debt Rule").

[3] Cornerstone Credit Union League at al. v. Consumer Financial Protection Bureau, 4:25-cv-00016 (E.D. Tex. 2025).

Respectfully Submitted:

/s/ Jennifer L. Sarvadi
Nanette K. Beaird
State Bar No. 01949800
Edward D. Burbach
State Bar No. 03355250
FOLEY & LARDNER LLP
600 Congress Avenue, Suite 2900
Austin, TX 78701
Phone: (512) 542-7018
Facsimile: (512) 542-7100
nbeaird@foley.com
eburbach@foley.com

Rebecca E. Kuehn*
Jennifer L. Sarvadi*
Hudson Cook LLP
1909 K Street NW
4th Floor
Washington, DC 20006
Phone: (202) 715-2008
Facsimile: (202) 223-6935
rkuehn@hudco.com
jsarvadi@hudco.com
**pro hac vice*

Counsel for Plaintiff
Consumer Data Industry Association

/s/ Allison M. Collins
Allison M. Collins
William Farrell
Office of the Attorney General of Texas
P.O. Box 12458,
General Litigation, MC19
Austin, TX 78711
Phone: (512) 475-4058
Facsimile: (512) 320-0677
allison.collins@oag.texas.gov
biff.farrell@oag.texas.gov

Counsel for Defendant
State of Texas Through Ken Paxton,
Attorney General