UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF TEXAS
AUSTIN DIVISION

CONSUMER DATA INDUSTRY ASSOCIATION,

Plaintiff,

v.

TEXAS through Attorney General KEN PAXTON, acting in his official capacity in his official capacity,

Defendant.

Civil Action No. 1:19-cv-00876-RP

PLAINTIFF'S MOTION FOR SUMMARY JUDGMENT

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INTRODUCTION

The federal Fair Credit Reporting Act (FCRA) expressly and broadly preempts states from enacting laws relating to the information contained in consumer reports. Despite Congress reserving for itself this type of regulation, Texas enacted a statute that regulates the content of consumer reports by prohibiting certain types of debt information from being included on them. That law cannot stand.

Consumer reports (also known as credit reports) are invaluable tools in the financial system: Lenders rely on the information in these reports to assess consumers' creditworthiness and make informed credit decisions. Since the 1970s, FCRA has regulated the contents of consumer reports. Initially, FCRA allowed states to pass their own regulations governing the information contained in consumer reports, preempting only laws "inconsistent" with FCRA. As the consumer reporting industry rapidly expanded and nationalized, however, Congress recognized that the patchwork of state laws was untenable and that a uniform regime was needed. To that end, Congress enacted a new, broader preemption provision that supplanted state-by-state regulation of the content of consumer reports.

One pillar of FCRA's revamped preemption provision is 15 U.S.C. § 1681t(b)(1)(E), which displaces any state "prohibition" that relates to any "subject matter" regulated by "section 1681c." Section 1681c is one of FCRA's substantive provisions that, according to § 1681t(b)(1)(E), regulates the "information contained in consumer reports." The result is a straightforward legal rule: states may not regulate what "information" may be "contained in consumer reports." *Id.* Section 1681t(b)'s context, structure, and legislative history all confirm that conclusion. The weight of authority agrees: § 1681t(b) preempts entire "subject matter[s]," not merely the specific items that Congress has regulated *within* those "subject matter[s]." Indeed, this Court already

explained that "Section 1681c addresses the information which may be included in consumer reports." Dkt. 49 at 10. That subject matter is off-limits to state regulation.

Texas does not contest (nor could it) that its statute excludes information from consumer reports. Texas's law bars consumer reporting agencies from reporting that a consumer has outstanding medical debt if the consumer was covered by a health plan and owes the debt to an out-of-network provider after making various threshold insurance payments. Tex. Bus. & Com. Code Ann. § 20.05(a)(5). By excluding specific consumer financial information from consumer reports, Section 20.05(a)(5) definitionally "addresses the information which may be included in consumer reports." Dkt. 49 at 10. That conclusion resolves this case. Texas's law is preempted.

Resisting that conclusion, Texas argues that § 1681t(b)(1)(E) preempts only the specific items *within* the subject matter (i.e., information contained on consumer reports) that § 1681c regulates, and its law doesn't regulate those items. Texas asks the wrong question and gives the wrong answer.

To be sure, after explaining that § 1681c "addresses the information which may be included in consumer reports," this Court also reasoned that Texas's law was preempted because "Section 1681c" regulates "what medical debt information may be included in a consumer report," Dkt. 49 at 10. But that second step of the analysis is unnecessary. Section 1681t(b)(1)(E)'s plain text preempts any state law that dictates what can or cannot be included on a consumer report. There is no need to do an item-by-item analysis of what Congress has regulated *within* that subject matter.

Even if the Court disagrees and holds that the "subject matter" of § 1681t(b)(1)(E) is limited to the types of information regulated by § 1681c, Texas's law is still preempted. Texas's statute concerns the same types of information specifically addressed in Section 1681c of the FCRA: adverse items of information and, as this Court already found, "medical debt information."

Dkt. 49 at 10. Thus, under any fair reading of § 1681t(b)(1)(E), Texas's law is preempted. The Court should grant Plaintiff's motion for summary judgment.

STATEMENT OF UNDISPUTED MATERIAL FACTS

A. CDIA and the Consumer Reporting Industry.

Consumer Data Industry Association (CDIA) is a trade association that advocates on behalf of the consumer reporting industry. Ex. A (CDIA Decl.) ¶ 1. Its members include the three largest nationwide consumer reporting agencies (CRAs)—Experian, Equifax, and TransUnion—and other consumer reporting agencies that do business in Texas and furnish credit information concerning Texas consumers, such as MicroBilt. *Id.* ¶ 3; Ex. B (MicroBilt Decl.) ¶¶ 1, 5.

CRAs collect and report financial and other information about consumers to creditors, insurers, and employers. Ex. C (Equifax Decl.) ¶¶ 1, 4; Ex. D (Experian Decl.) ¶¶ 1, 4; MicroBilt Decl. ¶¶ 1, 4; Ex. E (TransUnion Decl.) ¶¶ 1, 4. When a consumer applies for credit, lenders rely on CRA-supplied information about the consumer to inform their lending and credit decisions. Equifax Decl. ¶ 4; Experian Decl. ¶ 4; MicroBilt Decl. ¶ 4; TransUnion Decl. ¶ 4. That information may include specific data points about a consumer's credit history and a credit score that measures a consumer's creditworthiness. Equifax Decl. ¶ 4; Experian Decl. ¶ 4; MicroBilt Decl. ¶ 4; TransUnion Decl. ¶ 4. Because lenders rely on data provided by CRAs to make informed decisions about whether a consumer qualifies for credit, it is imperative that CRAs are able to provide information that adds value to these transactions—such as information about debts a consumer owes. Equifax Decl. ¶ 4; Experian Decl. ¶ 4; MicroBilt Decl. ¶ 4; TransUnion Decl. ¶ 4.

B. FCRA's Preemption Scheme.

FCRA comprehensively regulates the consumer reporting industry. *See* Pub. L. No. 91-508, tit. VI, § 601, 84 Stat. 1114, 1128 (1970) (codified at 15 U.S.C. § 1681 *et seq.*). The statute

applies to "consumer reporting agenc[ies]," defined broadly as anyone who "regularly … assembl[es] or evaluat[es] consumer credit information … for the purpose of furnishing consumer reports to third parties." 15 U.S.C. § 1681a(f). It defines "consumer report[s]" expansively as "any … communication of any information by a consumer reporting agency bearing on a consumer's credit worthiness" or other "personal characteristics" for use in determining whether a consumer is eligible for credit, insurance, or employment. *Id.* § 1681a(d)(1). From the beginning, FCRA has limited the purposes for which CRAs can furnish consumer reports, what information they can include on reports, what they must disclose to affected consumers, and what procedures they must follow to ensure the accuracy of reported information. *See* 84 Stat. at 1128–33.

As is typical of a carefully crafted federal regulatory scheme, FCRA has always preempted some state law. Since 1970, FCRA has expressly preempted state laws that regulate "the collection, distribution, or use of any information on consumers … to the extent those laws are inconsistent with" FCRA. 15 U.S.C. § 1681t(a). Under that original scheme, states had latitude to pass *additional* regulations governing the consumer reporting industry so long as they were not "inconsistent with" the federal regime.

But Congress ultimately found that arrangement untenable. Technological changes in the mid-1990s supercharged the market for private credit, and with it, the need for consumer reporting. *See* S. Rep. No. 108-166, at 7 (2003). As a result, Congress concluded it was necessary to establish uniform federal regulation of consumer reports. That effort included overhauling § 1681c. As enacted in 1970, that section was titled "Obsolete information," and dealt just with how long certain categories of consumer information could be included on a report. FCRA, § 605, 84 Stat. at 1129–30. As part of the 1996 overhaul, Congress retitled it "Requirements relating to

information contained in consumer reports" and elaborated on what information must be included or excluded from consumer reports. Pub. L. No. 104-208, tit. II, subtit. D, § 2406(e), 110 Stat. 3009-434–35 (1996).

To ensure this new regime would set nationwide standards for the content of consumer reports, Congress simultaneously added a more muscular preemption provision in § 1681t(b). This new provision went far beyond § 1681t(a)'s "inconsistency" preemption rule and provided that: "*No* requirement or prohibition may be imposed under the laws of any State … with respect to *any subject matter* regulated under" eleven of FCRA's core provisions, including the newly expanded § 1681c. 15 U.S.C. § 1681t(b) (emphases added). FCRA then explicitly defines the "subject matter" for each core provision. For instance, Section 1681c's subject matter is "relating to information contained in consumer reports," *id.* § 1681t(b)(1)(E), which is the exact name that Congress gave § 1681c when expanding its coverage beyond obsolescence periods.

As originally enacted, § 1681t(b) would have expired on January 1, 2004. *See* 110 Stat. 3009-453. In 2003, however, Congress eliminated that sunset provision, FACT Act, Pub. L. 108-159, tit. VII, § 711, 117 Stat. 2011, in order to make § 1681t(b)'s national standards "permanent" and "preclude states" from creating additional requirements that would disrupt the "efficient operation" of national credit markets. S. Rep. No. 108-166, at 11, 25.

C. Texas's Ban on Reporting Specific Medical Debt Information.

Notwithstanding FCRA's plain preemptive sweep, in 2019, the Texas Legislature enacted S.B. 1037, entitled "Relating to Limitations on the Information Reported by Consumer Reporting Agencies." Now codified at Texas Business and Commerce Code Section 20.05(a)(5), the statute prohibits CRAs from furnishing consumer reports that include information related to "a collection account with a medical industry code, if the consumer was covered by a health benefit plan at the

time of the event giving rise to the collection and the collection is for an outstanding balance, after copayments, deductibles, and coinsurance, owed to an emergency care provider or a facility-based provider for an out-of-network benefit claim."

The Attorney General of Texas is tasked with enforcing Section 20.05(a)(5) and may seek injunctive relief against a CRA or a civil penalty of $2,000 for each violation. *Id.* §§ 20.11–12. Although the Attorney General's Office agreed not to enforce Section 20.05(a)(5) for the duration of this litigation, it has not agreed to refrain from enforcing Section 20.05(a)(5) against CDIA's members going forward. Ex. G (Stipulation) ¶ 3; *see also CDIA v. Texas ex rel. Paxton*, 2023 WL 4744918, at *4 (5th Cir. July 25, 2023) (per curiam) ("[T]he Texas Attorney General has *never* stated or even suggested that the statute would *not* be enforced in the future.").

D. Procedural History.

CDIA sued Texas in 2019, shortly after passage of Section 20.05(a)(5), seeking a declaration "[t]hat … § 20.05(a)(5) is preempted by the FCRA pursuant to 15 U.S.C. § 1681t(b)(1)(E)" and a permanent injunction prohibiting Texas from enforcing the statute. Dkt. 1 at 11–12. After CDIA amended its complaint, Dkt. 36, Texas moved to dismiss on the grounds of standing, ripeness, sovereign immunity, and failure to state a claim, Dkt. 41.

This Court denied the motion to dismiss and rejected each of Texas's arguments. Dkt. 49. On the merits, this Court concluded that CDIA had plausibly alleged that Section 20.05(a)(5) was preempted, holding that FCRA preempts all state laws that regulate the subject matter of § 1681c, and "[s]ection 1681c addresses the information which may be included in consumer reports." *Id.* at 10. As the Court further explained, § 1681c also addresses "medical debt information," and so Section 20.05(a)(5) "is expressly preempted by Section 1681t(b)(1) because it concerns the same

subject matter as Section 1681c of the FCRA: what medical debt information may be included in a consumer report." *Id.*

Texas sought interlocutory appeal, and the Fifth Circuit affirmed. *CDIA*, 2023 WL 4744918. Although the Fifth Circuit did not address Texas's merits arguments, *id.* at *1 n.2, it agreed with this Court that CDIA adequately alleged its members had standing and their threatened injury was certainly impending, *id.* at *4. The Fifth Circuit found it particularly "telling" that the Texas Attorney General refused to disavow enforcement efforts, and so CDIA's members had to either make "material operational changes" or "expose themselves to a substantial threat of enforcement." *Id.* at *4–5. The court also affirmed the "district court's sovereign immunity and ripeness rulings." *Id.* at *7.

After remand, this case was stayed pending a CFPB rulemaking that attempted to generally ban medical debt information from appearing in consumer reports. Dkt. 72. Proceedings were further stayed after CDIA sued the CFPB, arguing that the CFPB's medical debt rule violated FCRA. Dkt. 79. On July 11, 2025, the Eastern District of Texas entered a consent judgment vacating the rule, concluding that "the Medical Debt Rule exceeded the Bureau's [statutory] authority." *Cornerstone Credit Union League v. CFPB*, 791 F. Supp. 3d 720, 743 (E.D. Tex. 2025). This Court lifted the stay on November 6 and ordered summary judgment briefing. Dkt. 85.

JURISDICTION

CDIA has standing to challenge Section 20.05(a)(5) on behalf of its members. To establish standing, a "plaintiff must have (1) suffered an injury in fact, (2) that is fairly traceable to the challenged conduct of the defendant, and (3) that is likely to be redressed by a favorable judicial decision." *Spokeo, Inc. v. Robins*, 578 U.S. 330, 338 (2016). CDIA has standing to sue as an

association on behalf of its members when "(a) the association's members would otherwise have standing to sue in their own right; (b) the interests the association seeks to protect are germane to the organization's purpose; and (c) neither the claim asserted nor the relief requested requires the participation of individual members in the lawsuit." *Texas v. DOL*, 756 F. Supp. 3d 361, 380 (E.D. Tex. 2024) (cleaned up). All those factors are met here.

This Court and the Fifth Circuit already held that CDIA had associational standing based on its allegations that CDIA's members are injured as a result of Section 20.05(a)(5). Dkt. 49 at 6; *accord CDIA*, 2023 WL 4744918, at *3–5. CDIA has now proffered evidence to substantiate those allegations on summary judgment. The State has still never agreed not to enforce Section 20.05(a)(5) going forward. Stipulation ¶ 3. And complying with the statute will cause economic harm to CDIA members. Equifax Decl. ¶¶ 6–8; Experian Decl. ¶¶ 7–8; MicroBilt Decl. ¶¶ 7–8; TransUnion Decl. ¶¶ 7–12. For instance, creating the infrastructure to identify and prevent prohibited information from appearing on consumer reports will take time and money, and while that process plays out, CDIA members will be forced to suppress all medical debt of Texas consumers, making their consumer reports less complete and therefore less valuable. Equifax Decl. ¶¶ 6–7; Experian Decl. ¶¶ 7–8; TransUnion Decl. ¶¶ 8–12. Such direct "economic harm" constitutes "a quintessential Article III injury." *Book People, Inc. v. Wong*, 91 F.4th 318, 331 (5th Cir. 2024) (cleaned up).

LEGAL STANDARD

Summary judgment is warranted if "there is no genuine dispute as to any material fact and" CDIA "is entitled to judgment as a matter of law." Fed. R. Civ. P. 56(a). Whether state law is preempted by federal law is a pure "question of law" that can be resolved on summary judgment. *See, e.g.*, *Teltech Sys., Inc. v. Bryant*, 702 F.3d 232, 235 (5th Cir. 2012) (citation omitted).

ARGUMENT

FCRA preempts any state law regulating the subject matter of § 1681c. 15 U.S.C. § 1681t(b)(1)(E). As this Court already found, "Section 1681c addresses the information which may be included in consumer reports." Dkt. 49 at 10. Texas's Section 20.05(a) addresses the exact same subject matter by prohibiting CRAs from reporting certain medical debt. Thus, under the best reading of FCRA's preemption provision, Section 20.05(a)(5) is preempted. This Court can and should stop there.

Even were the Court to rule that FCRA only preempts state laws concerning the specific kinds of information enumerated in § 1681c, Section 20.05(a) would still be preempted. Section 20.05(a)(5) regulates both adverse items of information and medical debt information, two of the types of information expressly regulated by § 1681c. This Court already concluded that Section 20.05(a)(5) was "expressly preempted by Section 1681t(b)(1) because it concerns the same subject matter as Section 1681c … what medical debt information may be included in a consumer report." Dkt. 49 at 10. That same legal conclusion is compelled on summary judgment.

I. Section 20.05(a)(5) Is Preempted Because It Regulates the Content of Consumer Reports.

A. FCRA Preempts Any State Law That Would Exclude Information from Consumer Reports.

Texas's Section 20.05(a)(5) is preempted for the simple reason that it prohibits CRAs from reporting a category of information on consumer reports, and FCRA says state law cannot do that. When Congress wrote FCRA's expanded preemption provision in 1996, it intended to create "uniform, national standard[s] for credit reporting." 140 Cong. Rec. 25871 (1994) (statement of Rep. Castle). By the mid-1990s, the credit industry had become a "complex, nationwide" industry. *Id.* With consumers and consumer reports traveling across state lines with escalating frequency, Congress thought it was key to preempt a "myriad" of potentially conflicting state laws in favor

of "uniform" federal rules. *Id.* The result was § 1681t(b), a sweeping preemption provision that prevents states from passing any "prohibition" respecting "any subject matter regulated under" FCRA "section 1681c … relating to information contained in consumer reports." 15 U.S.C. § 1681t(b)(1)(E). Under the plain terms of that provision, all state laws regulating the content of consumer reports are preempted. Texas's law is no exception.

1. All tools of statutory interpretation point towards preemption.

Whether federal law preempts state law is "basically" a question "of congressional intent." *Barnett Bank, N.A. v. Nelson*, 517 U.S. 25, 30 (1996). Where a statute contains an express preemption clause like the one in FCRA, the court's task is to interpret the scope of the statutory language. *See, e.g.*, *Chamber of Com. v. Whiting*, 563 U.S. 582, 594–95 (2011). No presumption against preemption applies. *Puerto Rico v. Franklin Cal. Tax-Free Tr.*, 579 U.S. 115, 125 (2016). The court simply uses the standard tools of statutory interpretation to determine the scope of preemption. *Young Conservatives of Tex. Found. v. Smatresk*, 73 F.4th 304, 311 (5th Cir. 2023); *accord Nw. Selecta, Inc. v. González-Beiró*, 145 F.4th 9, 15 (1st Cir. 2025).

Every tool of statutory interpretation reinforces the conclusion that FCRA broadly precludes Texas from passing any law that regulates the content of consumer reports.

Text. As always, the text is the best evidence of Congress's preemptive intent. *Puerto Rico*, 579 U.S. at 125. The relevant text here provides: "No requirement or prohibition may be imposed under the laws of any State … with respect to any subject matter regulated under … section 1681c of this title, relating to information contained in consumer reports." 15 U.S.C. § 1681t(b)(1)(E). Plainly, state laws that exclude information from consumer reports concern the same "subject matter" as § 1681c—they "relat[e] to information contained in consumer reports."

Congress's intent to preempt a broad swath of state law is made evident by its choice of language. It said "*[n]o* requirement or prohibition" under the laws of "*any* State" may be enacted

"with respect to *any* subject matter regulated under" § 1681c. *Id.* § 1681t(b)(1)(E) (emphases added). Those modifiers are categorical. Congress also used two phrases with well-established breadth in the preemption context. Just four years before Congress enacted § 1681t(b), the Supreme Court analyzed the phrase "[n]o requirement or prohibition" in the Federal Cigarette Labeling and Advertising Act's preemption clause and held that the language "sweeps broadly." *Cipollone v. Liggett Grp., Inc.*, 505 U.S. 504, 521 (1992) (plurality op.) (alteration in original). The phrase "with respect to any subject matter" is expansive too. "With respect to" is synonymous with "respecting,"[1] and the "[u]se of the word 'respecting' in a legal context generally has a broadening effect, ensuring that the scope of a provision covers not only its subject but also matters relating to that subject," *Lamar, Archer & Cofrin, LLP v. Appling*, 584 U.S. 709, 717 (2018). By employing these phrases, Congress left no doubt that it intended to sweep away most state law governing consumer reports. Any state law that addresses (or is even related to) the subject matters regulated by § 1681c is preempted.

The key question, then, is what is § 1681c's "subject matter"? FCRA supplies the answer: laws "relating to information contained in consumer reports." 15 U.S.C. § 1681t(b)(1)(E). In other words, the "relating to" clause defines the subject matter of § 1681c. In fact, the verbatim title of § 1681c is "[r]equirements relating to information contained in consumer reports." By copying that title into § 1681t(b)(1)(E), Congress made doubly clear that the content of consumer reports was the subject matter off-limits to state regulation. Furthermore, by defining the subject matter of § 1681c with reference to consumer reports, Congress also made clear that, regardless of what additional provisions might be added to § 1681c in later years, the preemptive effect was limited to provisions that relate to information contained in consumer reports. For instance, in

[1] *With respect to*, *Cambridge Thesaurus* (2000), https://tinyurl.com/fhyh23vt.

2003, Congress added § 1681c(g), which prohibits businesses from printing more than the last four digits of a credit card number on a paper receipt. Since that provision does *not* relate to information contained in consumer reports, it does not come within the subject-matter preemption covered by § 1681t(b)(1)(E).[2]

Structure and Context. The structure of § 1681t(b) confirms that FCRA preempts states from regulating the content of consumer reports. First and foremost, paragraph (b) was designed to preempt far more state law than paragraph (a). Whereas paragraph (a) modestly preempts state law only to the extent it is "inconsistent with" FCRA, paragraph (b) lays out "[g]eneral exceptions" to that rule, including paragraph (b)(1)'s subject-matter preemption. The upshot is evident: § 1681t(b) cannot be construed as a modest conflict-preemption principle.

Paragraph (b)(1) comprises eleven provisions that each share the same grammatical form: state law is preempted with respect to "any subject matter" regulated by one of FCRA's sections, and then a "relating to" clause defines the subject matter of the identified provision. Consider § 1681t(b)(1)(F). In form that parallels § 1681t(b)(1)(E), it preempts state law "with respect to any subject matter regulated under … section 1681s-2 of this title, relating to the responsibilities of persons who furnish information to consumer reporting agencies." *Id.* § 1681t(b)(1)(F). Each of the paragraphs in paragraph (b)(1) is structured this way. And in each case, the "relating to" clause plainly defines the subject matter of the FCRA provision cited before it.

If Congress wanted to preempt more narrowly, it knew how to do so. Tellingly, Congress did exactly that at three different places in the same statutory section. In contrast to the "*subject matter*" preempted by § 1681t(b)(1), Congress preempted state law (1) "with respect to *disclosures*

[2] Congress recognized this and gave § 1681c(g) its own preemption provision. 15 U.S.C. § 1681t(b)(5)(A).

required to be made under" four subsections of § 1681g; (2) "with respect to the *frequency* of" the free annual disclosures required by § 1681j(a); and (3) "with respect to the *conduct required by*" nine FCRA subsections related to identity theft.[3] *Id.* § 1681t(b)(3)–(5) (emphases added). That "intentional[] and purpose[ful]" decision, *Barnhart v. Sigmon Coal Co.*, 534 U.S. 438, 452 (2002) (quotes omitted), to use broader "unqualified" language in § 1681t(b)(1), when Congress so clearly had at its "disposal readily available language that could have connoted a narrower understanding" of preemption, must be given effect, *Kemp v. United States*, 596 U.S. 528, 534 (2022).

Looking to other statutes reinforces that Congress's chosen language was meant to set uniform federal standards for consumer reporting. Congress typically legislates against the backdrop of federal law. *Parker Drilling Mgmt. Servs., Ltd. v. Newton*, 587 U.S. 601, 611 (2019). And in 1996, Congress had already used the phrase "subject matter" in preemption clauses to preempt entire fields. For example, the Copyright Act preempts state laws that "come within the *subject matter* of copyright." 17 U.S.C. § 301(a), (b)(1) (emphasis added). And the Federal Railroad Safety Act has a provision titled "National Uniformity of Regulation," which preempts any state "law, regulation, or order related to railroad safety or security" once the relevant agencies "prescribe[] a regulation … covering the *subject matter* of the State requirement." 49 U.S.C. § 20106(a)(2) (emphasis added). By contrast, when Congress does *not* want national uniformity in a given area, it often enacts a non-preemption clause along the lines of: "Nothing contained in any title of this Act shall be construed as indicating an intent on the part of Congress to occupy the field in which any such title operates to the exclusion of State laws on the same *subject matter*."

[3] That § 1681c(g) (which requires truncating credit card information on receipts and does not relate to the contents of consumer reports) appears on this list underscores two key points. One: it does not come within § 1681t(b)(1)(E)'s preempted subject matter. Two: when Congress chose to separately preempt state laws on that particular topic—as opposed to the "information contained in consumer reports" generally—it chose narrower language.

42 U.S.C. § 2000h-4 (emphasis added); *see also* 15 U.S.C. § 1829 (similar); 18 U.S.C. § 233 (similar); 21 U.S.C. § 903 (similar). Here, Congress emphasized that FCRA *does* regulate the "subject matter" of the content of consumer reports, and it *did* intend to "exclu[de] … State laws on the same subject matter." This Court should take Congress at its word.

Drafting and Legislative History. These textual and structural choices make perfect sense because it was Congress's express aim to set nationwide standards for consumer reporting. As discussed, from 1970 until 1996, FCRA's preemption clause was narrow—it displaced only state laws "inconsistent with" federal requirements. 15 U.S.C. § 1681t(a). But that ended in 1996, with Congress adding § 1681t(b)'s subject-matter preemption provisions, creating "uniform, national standards in the area of credit reporting." *CDIA v. King*, 678 F.3d 898, 901 (10th Cir. 2012).

Recognizing the significance of this change, Congress proceeded cautiously in two ways. First, Congress felt compelled to create exceptions to § 1681t(b)'s new subject-matter preemption rules. For example, § 1681t(b)(1)(E) exempts state laws passed before September 30, 1996, from "subject matter" preemption. Similarly, § 1681t(b)(1)(F) preempts state laws "relating to the responsibilities" of furnishers, but that paragraph does "not apply" to two specific state laws in Massachusetts and California, both of which established regulatory schemes that governed furnishing information to a CRA. These exceptions prove the rule. There would have been no need to preserve these statutes unless the 1996 amendments otherwise preempted state laws governing the content of consumer reports and the information furnishers could and could not furnish.

In addition to grandfathering in some state laws, Congress initially authorized § 1681t(b) only for an eight-year trial period. The provision was originally set to expire on January 1, 2004, at which point state laws which were "explicitly … intended to supplement" FCRA and "g[ave]

greater protection to consumers than [FCRA] provided" would *not* be preempted. 110 Stat. at 3009-453–54. Congress reasoned that the uniform consumer reporting standards should "demonstrate[] their effectiveness" before permanently displacing all state law on the subject. 140 Cong. Rec. S. 8942 (1994) (statement of Sen. Bryan). But after the experiment in broad preemption proved successful, Congress eliminated the sunset provision in 2003, making § 1681t(b)'s strong preemption permanent.

The phrasing of § 1681t(b)'s sunset clause is revealing. Because it originally allowed state laws passed after January 1, 2004, to take effect if they were "more protective" of consumers, the plain implication is that from 1996 to 2003, "more protective" or "supplement[al]" state laws *were* preempted. Put differently, the text of the 1996 law assumed that laws imposing prohibitions or requirements beyond those in § 1681c were preempted until January 1, 2004. 110 Stat. at 3009-453–54. By striking the sunset clause from the statute in 2003, Congress made clear that such state laws are *permanently* preempted because they transgress one of § 1681t(b)'s prohibited subject matters: the content of consumer reports.

Indeed, the very "purpose" of adding § 1681t(b) in 1996 "was, in part, to avoid a patchwork system of conflicting regulations." *Ross v. FDIC*, 625 F.3d 808, 813 (4th Cir. 2010) (Wilkinson, J.) (cleaned up). Statements from legislators involved in drafting the 1996 amendment confirm this was Congress's intent. As Representative Castle stated, the addition of § 1681t(b) established "a uniform, national standard for credit reporting." 140 Cong. Rec. 25871 (1994).

The members of Congress who voted to make § 1681t(b) permanent thought the same. The Senate Report to the 2003 amendments explained that "the authors of the 1996 Amendments sought to establish uniform standards in key areas in an effort to enhance the development of national credit markets. These measures include[d] national standards for … *the contents of*

consumer reports." S. Rep. 108-166, at 6 (emphasis added). "State laws with respect to these issues were preempted." *Id.* After a seven-year trial run, numerous hearings, and substantial legislative debate, Congress determined that having uniform national standards for the contents of consumer reports made consumer reporting more efficient, "expand[ed] access to credit, lower[ed] the price of credit, and accelerate[d] decisions to grant credit." 149 Cong. Rec. H12198-01, at 71 (2003) (statement of Rep. Kanjorski). It was precisely because those "uniform national standards[] allow[ed] for the … development of national credit markets" that Congress decided to make § 1681t(b) "permanent." S. Rep. 108-166, at 25–26 (2003). The report on the House version of the bill was similarly explicit: it said the 2003 amendments "made permanent" FCRA's "uniform national consumer protection standards." H.R. Rep. No. 108-263, at 3 (2003).

2. The weight of authority also supports preemption.

Given that all the principles of statutory construction point in the same direction, it is no surprise that courts have repeatedly explained that § 1681t(b) broadly preempts state law. For example, the Fourth Circuit recognized that Congress enacted § 1681t(b) as "a strong preemption provision" to sweep away "patchwork" state laws in favor of uniform national standards. *Ross*, 625 F.3d at 813 (quotes omitted); *see also Purcell v. Bank of Am.*, 659 F.3d 622, 625 (7th Cir. 2011) (Easterbrook, J.) (noting that § 1681t(b)(1)(F) was added in 1996 to provide "extra preemption" beyond § 1681t(a)). Subjecting CRAs to "inconsistent obligations in the various states" would undermine "the consistent, accurate collection and dissemination of credit information," which is "precisely what Congress intended to avoid in enacting … section 1681t(b)." *Bertollini v. Harrison*, 2019 WL 2296150, at *4 (D.N.J. May 30, 2019) (cleaned up). Section 1681t(b)(1)(E) specifically "assures that the Act establishes uniform federal standards for

contents of credit reports." *Aldaco v. RentGrow, Inc.*, 921 F.3d 685, 688 (7th Cir. 2019) (Easterbrook, J.).

Numerous courts have recognized that the scope of the "subject matter" preempted by § 1681t(b)(1) is defined by each subsection's "relating to" clause, requiring no item-by-item analysis of the regulations Congress has enacted *within* those "subject matter[s]." Take § 1681t(b)(1)(F), which preempts state laws "relating to the responsibilities of [furnishers]." Multiple circuits have held that § 1681t(b)(1)(F) broadly preempts state laws that "*concern* a furnisher's responsibilities" without looking through to 1681s-2 to determine what specific issues it addresses. *See, e.g.*, *Galper v. JP Morgan Chase Bank, N.A.*, 802 F.3d 437, 446 (2d Cir. 2015); *Scott v. First S. Nat'l Bank*, 936 F.3d 509, 522 (6th Cir. 2019) (similar). The same is true of the parallel preemption provisions in § 1681t(b)(1). *See, e.g.*, *Premium Mortg. Corp. v. Equifax, Inc.*, 583 F.3d 103, 106 (2d Cir. 2009) (per curiam) (§ 1681t(b)(1)(A) preempts claims that "relate to the prescreening of consumer reports" without need to look at the specific issues § 1681b regulates within that subject matter (cleaned up)). Section 1681t(b)(1)(E) is no different. Its subject matter is "the type of information that can be legally disclosed in consumer reports." *Simon v. Directv, Inc.*, 2010 WL 1452853, at *3 (D. Colo. Mar. 19, 2010), *R&R adopted*, 2010 WL 1452854 (D. Colo. Apr. 12, 2010).

The CFPB, which enforces FCRA, interprets § 1681t(b)(1)(E) the same way. Fair Credit Reporting Act; Preemption of State Laws, 90 Fed. Reg. 48710 (Oct. 28, 2025).[4] The CFPB recognizes that through § 1681t(b) "Congress plainly meant to sweep away most State regulation in the area." 90 Fed. Reg. at 48712. Specifically with respect to consumer reports, "section

[4] This interpretative rule replaced a contrary July 2022 rule, 87 Fed. Reg. 41042, that the CFPB previously withdrew in May 2025, 90 Fed. Reg. 20084.

1681t(b)(1)(E) first identifies that laws touching on the subject matter of 1681c are preempted. It proceeds to say that these are laws 'relating to information contained in consumer reports,'" a phrase which "clarif[ies] the subject matter of 1681c." 90 Fed. Reg. at 48712. "And that subject matter is broad—it covers the inclusion of information in consumer reports. All State laws on that subject are preempted." *Id.*

True, a handful of courts have construed § 1681t(b)(1)(E) more narrowly, chief among them the First Circuit in *CDIA v. Frey*, 26 F.4th 1 (1st Cir. 2022); *see also Aargon Agency, Inc. v. O'Laughlin*, 70 F.4th 1224 (9th Cir. 2023) (interpreting § 1681t(b)(1)(F) in a similar manner, citing *Frey*). But these cramped readings are fatally flawed.

Turning the text of § 1681t(b)(1)(E) on its head, *Frey* held that the scope of preemption is not defined by § 1681c's expressly defined "subject matter" (i.e., "information contained in consumer reports"), but rather is "narrowly" circumscribed to the specific "items of information listed in Section 1681c(a)." 26 F.4th at 11. On *Frey*'s view, § 1681t(b)(1)(E) preempts states only from regulating "information older than seven years relating to bankruptcies, civil suits, civil judgments, records of arrest, paid tax liens, accounts in collection, or that is otherwise adverse," and "the reporting of veterans' medical debt." 26 F.4th at 11–12. The court leaned on four grounds to support that conclusion. Each is unsound.

First, *Frey* claimed that FCRA was enacted to provide "protections for consumers" and thus states may "provide additional protections." *Id.* at 9. That is a distorted account. Recall: Congress repealed the sunset provision that would have allowed states to impose such "additional protections" after 2004. *Supra* at 5, 14–15. That provision never went into effect, and nothing else creates an exception to § 1681t(b)(1) for state regulations that "provide more protections." 26 F.4th at 9.

Second, *Frey* construed § 1681t(b)(1)'s broad phrase "with respect to any subject matter regulated under" as somehow narrowing the scope of preemption. To reach that remarkable conclusion, the court misread *Dan's City Used Cars, Inc. v. Pelkey*, 569 U.S. 251 (2013), as creating a universal rule that the phrase "with respect to" "massively limits the scope of preemption," absent some contrary indication. 26 F.4th at 8 (cleaned up). But *Dan's City* held no such thing. Rather than displacing the general rule that "with respect to" is a broadening phrase, *Lamar*, 584 U.S. at 717, *Dan's City*'s addressed specific language in the Federal Aviation Administration Authorization Act that preempted state laws "related to a price, route, or service of any motor carrier with respect to the transportation of property." 569 U.S. at 260 (alteration adopted) (quoting 49 U.S.C. § 14501(c)(1)). As a matter of syntax, "with respect to the transportation of property," serves to narrow the proceeding subject matter—"price, route, or service" regulations—to those that "concern" the motor carrier's "transportation of property." *Id.* (cleaned up). Here, by contrast, "with respect to any subject matter" is an expansive opening clause that introduces a list of broad, enumerated categories. 15 U.S.C. § 1681t(b)(1). It thus defies logic to conclude that "with respect to" narrows § 1681t(b)(1)'s scope of preemption.

Third, *Frey* thought reading the straightforward definition of "subject matter" as "relating to information contained in consumer reports" would impermissibly render the phrase "regulated under section 1681c" surplusage. 26 F.4th at 7 (quotes omitted). *Frey* got it exactly backwards. It is *Frey*'s view, not CDIA's, that creates surplusage.

By shrinking § 1681t(b) to cover only the specific issues *within* the relevant subject matters, *Frey* effectively renders the entirety of § 1681t(b) surplusage by collapsing it into the "inconsistency" preemption of 1681t(a). According to *Frey*, § 1681t(b)(1)(E)'s preemption reaches only the specific "items of information listed in Section 1681c(a)." 26 F.4th at 11 (quotes

omitted). But that creates a puzzle; state laws that touch on those specific items were *already* preempted by § 1681t(a) long before § 1681t(b) was added. Surely, Congress thought it was doing something when it amended FCRA and added § 1681t(b). *See supra* at 5, 14–15. Indeed, there is nothing in § 1681t(b)'s "relating to" preemption that suggests it "is limited to *inconsistent* state regulation … The pre-emption provision displaces all state laws that fall within its sphere, even including state laws that are consistent with" FCRA's "substantive requirements." *Morales v. Trans World Airlines, Inc.*, 504 U.S. 374, 387 (1992) (citing ERISA caselaw to reject similar argument about "relating to" preemption in the Airline Deregulation Act) (cleaned up).

On the other hand, and contra *Frey*, CDIA's interpretation does not render the "regulated under section 1681c" clause surplusage. Without the reference to § 1681c, the phrase "relating to information contained in consumer reports" is potentially ambiguous. For instance, state laws governing foreclosure proceedings arguably "relat[e] to information contained in consumer reports," yet such proceedings plainly are not "regulated under § 1681c." By pointing to the "subject matter" of § 1681c, Congress clarified that the phrase "relating to information contained in consumer reports" refers to what can and cannot go on consumer reports, which is exactly what most of § 1681c regulates. Far from surplusage then, the "subject matter regulated under" and "relating to" clauses work together to eliminate any ambiguity.

Even if the reference to § 1681c did not address ambiguity, the surplusage canon still would not be dispositive. "[R]edundancies are common in statutory drafting—sometimes in a congressional effort to be doubly sure, sometimes because of congressional inadvertence or lack of foresight, or sometimes simply because of the shortcomings of human communication." *Barton v. Barr*, 590 U.S. 222, 239 (2020); *accord* Antonin Scalia & Bryan A. Garner, *Reading Law: The*

Interpretation of Legal Texts § 26 (2012).[5] Moreover, where competing interpretations both create surplusage, the canon provides no assistance. *Marx v. Gen. Revenue Corp.*, 568 U.S. 371, 385 (2013).

Fourth, *Frey* reasoned that if Congress wanted to broadly preempt regulation of "information contained in consumer reports" it "could have drafted the statute differently." 26 F.4th at 6. But courts "have no authority to hold Congress to a 'perfect as we see it' standard of drafting." *Esteras v. United States*, 606 U.S. 185, 198 (2025). The fact that Congress might have "drafted with more precision than it did," does not give courts license to ignore the words that Congress used. *Torres v. Lynch*, 578 U.S. 452, 472 (2016) (quotes omitted). And the words Congress used here "get[] its point across just fine." *Esteras*, 606 U.S. at 198. FCRA lists the sections whose "subject matter" is off-limits and then—to avoid any doubt—defines the relevant subject matters. 15 U.S.C. § 1681t(b)(1)(E); *see supra* at 11–12, 20.

All the same, if Congress intended to create only the narrow preemption provision that *Frey* discerns, it could have said *that* far more clearly. For instance, Congress could have said: "No requirement or prohibition may be imposed under the laws of any State—with respect to the

[5] The language of § 1681t(b)(1)(E) may in fact be an example of "congressional effort to be doubly sure." *Barton*, 590 U.S. at 239. Congress preempted state laws that impose prohibitions related to subject matter regulated under *all* of § 1681c to the extent those laws relate to information contained in consumer reports. It did not limit preemption to just the subject matter regulated under *subsections* of § 1681c, such as § 1681c(a). When Congress wanted to limit FCRA's preemption to the subject matter of specific subsections, it did so clearly, such as in § 1681t(b)(1)(A), which limits preemption to specific subsections of § 1681b, or § 1681t(b)(1)(C) and (D), which each limit preemption to specific subsections of § 1681m. When Congress originally preempted state laws "relating to information contained in consumer reports," it simultaneously expanded its own regulation of that area, by, among other things, adding information that was *required* to be disclosed. 110 Stat. 3009-434–35. By preempting state laws "regulated under . . . section 1681c . . . relating to information contained in consumer reports," Congress was making clear that it, and not a state, has the authority to dictate what must and must not be included on a consumer report.

conduct required by the specific provisions of Section 1681c of this title." But that is not what Congress wrote.[6] Instead, Congress spoke in broad terms: "*no* requirement or prohibition," "*with respect* to *any* subject matter," "*relating* to information contained in consumer reports." 15 U.S.C. § 1681t(b)(1)(E). One expansive clause after another does not a narrow preemption provision make.

In short, there is nothing to recommend *Frey*'s cabined reading of § 1681t(b)(1). The weight of authority supports the opposite view for good reason.

* * *

To summarize: text, structure, context, legislative history, and persuasive authority all point to the same conclusion: § 1681t(b)(1)(E) preempts state laws that exclude information from consumer reports. There is therefore no need to conduct an item-by-item analysis of § 1681c. This Court's previous conclusion that "Section 1681c addresses the information which may be included in consumer reports" resolves the case. Dkt. 49 at 10.

B. Section 20.05(a)(5) Excludes Information from Consumer Reports.

Because Texas's Section 20.05(a)(5) prohibits CRAs from including a category of information from consumer reports, it is preempted. The § 1681t(b)(1)(E) analysis ends there.

Section 20.05(a)(5) undoubtedly regulates the content of consumer reports: "A consumer reporting agency may not furnish a consumer report containing information related to … a collection account with a medical industry code, if the consumer was covered by a health benefit plan at the time of the event giving rise to the collection and the collection is for an outstanding

[6] That is, however, the language that Congress used elsewhere in the same section. *See* 15 U.S.C. § 1681t(b)(5). Under bedrock principles of statutory interpretation, courts "understand that difference in language to convey a difference in meaning." *Bittner v. United States*, 598 U.S. 85, 94 (2023); *see also supra* at 12–13.

balance, after copayments, deductibles, and coinsurance, owed to an emergency care provider or a facility-based provider for an out-of-network benefit claim." Tex. Bus. & Com. Code Ann. § 20.05(a)(5); *accord* Stipulation ¶ 1. That is a quintessential example of a law "relating to" the "information contained in consumer reports." 15 U.S.C. § 1681t(b)(1)(E). Even Texas's legislature understands this. The opening clause of Section 20.05(a) prohibits CRAs from publishing a "consumer report" "containing information" listed in paragraph (a). Indeed, the very title of the Texas Senate Bill enacting Section 20.05(a) was "*Relating to* Limitations on the *Information Reported by Consumer Reporting Agencies*." S.B. 1037 (emphases added).

In fact, Section 20.05(a)(5) is the exact type of one-off, "patchwork" law that § 1681t(b)(1)(E) was written to eliminate. *Ross*, 625 F.3d at 813 (quotes omitted). As far as CDIA is aware, no other state has a law that regulates this specific category of unpaid medical debts, and the burden to comply with Texas's law is substantial. Furnishers do not currently provide information to CRAs necessary to determine whether a consumer "was covered by a health benefit plan" at the time they incurred a medical debt, whether that debt was owed to an "out-of-network" provider, and whether the amount "is for an outstanding balance" after various out-of-pocket payments. *See* Experian Decl. ¶ 7; Ex. F (Finneran Dubie Rpt.) at 4. In other words, to comply with Section 20.05(a)(5), CRAs would need to work with furnishers to ensure that such information is properly reported to them, revise their systems to identify information with the characteristics that might make the debt non-reportable under Texas law, and create systems to ensure that non-reportable information does not appear on consumer reports. Equifax Decl. ¶7; Experian Decl. ¶ 7; TransUnion Decl. ¶¶ 7–9. Congress passed § 1681t(b) because it did not want to subject CRAs to fifty-one (or more) sets of such laws as they handled hundreds of millions of consumers' data and navigated the national credit market.

II. Section 20.05(a)(5) Is Also Preempted Because It Regulates Adverse and Medical Debt Information.

Because § 1681t(b)(1)(E) preempts any law regulating the contents of consumer reports (as Section 20.05(a)(5) does) there is no need to go further. But even if the Court disagrees, and holds that the "subject matter" preempted by § 1681t(b)(1)(E) is limited to the specific *kinds* of consumer information regulated by § 1681c, Section 20.05(a)(5) would still be preempted. That is because Section 20.05(a)(5) regulates the types of consumer information—adverse information and medical information—that are specifically addressed by § 1681c.

In eight different subsections, § 1681c(a) addresses the reporting of "adverse" information, including old bankruptcies, paid tax liens, and criminal convictions. 15 U.S.C. § 1681c(a)(1)–(8). Among these is a catch-all provision that prohibits consumer reports from containing "[a]ny *other* adverse item of information" more than seven years older than the report. *Id.* § 1681c(a)(5) (emphasis added). The "other" language is a plain indication that the consumer information regulated by § 1681c(a) can be generally categorized as "adverse item[s] of information." Section 20.05(a)(5) concerns the same subject matter because it purports to enact additional prohibitions on a particular type of adverse information: medical debt owed to out-of-network providers after certain required consumer payments. Section 20.05(a)(5) is thus preempted by § 1681t(b)(1)(E).

What is more, as this Court already held, § 1681c regulates "what medical debt information may be included in a consumer report." Dkt. 49 at 10. Indeed, § 1681c addresses medical debt information in three different subsections. Subparagraph (a)(6) prohibits a consumer report from containing the name, address and telephone number of a medical provider unless that information is restricted using codes that obscure "the specific provider or the nature of such services, products, or devices." 15 U.S.C. § 1681c(a)(6). And subparagraphs (a)(7) and (a)(8) limit the circumstances

in which CRAs can report "a veteran's medical debt." *Id.* § 1681c(a)(7)–(8). Because Section 20.05(a)(5) "concerns" that "same subject matter," it is preempted. Dkt. 49 at 10.

CONCLUSION

For the foregoing reasons, the Court should grant summary judgment to CDIA, declare that Section 20.05(a)(5) is preempted in its entirety, and permanently enjoin Texas from enforcing the law.

Dated: November 17, 2025

Respectfully Submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of this Motion for Summary Judgment was filed electronically through the Court's ECF system. *See* Fed. R. Civ. P. 5(b)(2)(E).

Nanette K. Beaird

Nanette K. Beaird

Exhibit A

DECLARATION OF CONSUMER DATA INDUSTRY ASSOCIATION

I, Dan Smith, President and CEO of the Consumer Industry Data Association ("CDIA"), pursuant to 28 U.S.C. § 1746, hereby declare as follows:

1. CDIA is the voice of the consumer reporting industry, representing consumer reporting agencies including the nationwide credit bureaus, regional and specialized credit bureaus, background check companies, and others. Founded in 1906, CDIA promotes the responsible use of consumer data to help consumers achieve their financial goals, and to help businesses, governments and volunteer organizations avoid fraud and manage risk. Through data and analytics, CDIA members empower economic opportunity, helping ensure fair and safe transactions for consumers, facilitating competition and expanding consumers' access to financial and other products suited to their unique needs.
2. I submit this declaration in support of the Motion for Summary Judgment filed by the Consumer Data Industry Association ("CDIA") in the case *Consumer Data Industry Association v. Paxton*, 19-cv-00876-RP (W.D. Tex.). I am of the age of majority, am competent to make this declaration, and make this declaration based on my personal knowledge and investigation.
3. Equifax Information Services, LLC, Experian Information Solutions, Inc., TransUnion, and MicroBilt Corporation are all members of CDIA.
4. The 86th Regular session of the Texas Legislature enacted a law entitled "Relating to Limitations on the on the Information Reported by Consumer Reporting Agencies" ("SB 1037"), which amends Texas Business and Commerce Code Chapter 20 "Regulation of Consumer Credit Reporting Agencies" by adding § 20.05(a)(5) to

include requirements of consumer reporting agencies relating to the content of consumer reports.

5. Specifically, S.B. 1037 prohibits consumer reporting agencies, many of whom are CDIA members, from including on a consumer report a "collection account with a medical industry code, if the consumer was covered by a health benefit plan at the time of the event giving rise to the collection and the collection is for an outstanding balance, after copayments, deductibles, and coinsurance, owed to an emergency care provider or a facility-based provider for an out-of-network benefit claim."

6. Compliance with S.B. 1037 would impose significant costs on CDIA members to modify the systems they use to collect consumer debt information, modify consumer reports to exclude medical debt information covered by the law, modify algorithms used to support other products, and retrain employees regarding the law.

7. Medical debt is predictive of future performance.[1] By eliminating accurate medical debt information from certain credit reports, S.B. 1037 will also undermine the accuracy and reliability of consumer reports and distort consumer credit scores for some Texas consumers with significant unpaid medical debt compared to consumers without such debt or even those with other types of medical debt. This will result in a decreased usefulness and value of consumer reports and a likely decrease in revenue for CDIA members.

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[1] *See generally* Amy Crews Cutts, Comment Letter on Prohibition on Creditors and Consumer Reporting Agencies Concerning Medical Information (Regulation V), at 3–4 (Aug. 12, 2024), https://www.regulations.gov/comment/CFPB-2024-0023-0986.

8. I declare under penalty of perjury, this November 13, 2025, based on my personal knowledge and investigation, that the foregoing is true and correct to the best of my knowledge, information and belief.

Dan Smith
President and CEO, CDIA

Exhibit B

DECLARATION OF MICROBILT CORPORATION

I, Walter Wojciechowski, CEO of MicroBilt Corporation ("MicroBilt"), pursuant to 28 U.S.C. § 1746, hereby declare as follows:

1. MicroBilt is not a credit bureau or a national consumer reporting agency. Rather, it is a specialized consumer reporting agency ("CRA"), that amongst other things, focuses on providing consumer reports to specific segments of users. MicroBilt focuses on servicing the alternative or non-traditional credit reporting community, and maintains two separate databases to provide timely and secure access of high-quality, cost-efficient consumer credit data to its authorized and credentialed business customers, to help ensure that they make the best underwriting decisions possible.
2. I have been personally involved in efforts to evaluate the statute enacted by the 86th Regular session of the Texas Legislature captioned "Relating to Limitations on the Information Reported by Consumer Reporting Agencies" (hereinafter "S.B. 1037"), and its impact on MicroBilt. I submit this declaration in support of the Motion for Summary Judgment filed by the Consumer Data Industry Association ("CDIA") in the case *Consumer Data Industry Association v. Paxton*, 19-cv-00876-RP (W.D. Tex.). I am of the age of majority, am competent to make this declaration, and make this declaration based on my personal knowledge and investigation.
3. MicroBilt is a member of the CDIA and is headquartered in Kennesaw, Georgia.
4. MicroBilt operates a specialized consumer reporting agency that plays a critical role in the financial ecosystem. MicroBilt provides consumer reports to its customers, who are creditors that primarily focus on providing services to consumers that have thin credit files or very little mainstream credit history. When a consumer needs credit or

a loan, the consumer will go to a lender (e.g., a bank, auto finance company, installment loan lender) to request that credit or loan. Lenders rely on data that MicroBilt provides to inform their lending decisions. That data may include specific data points about a consumer's credit history called "attributes" (e.g., the number of open accounts a consumer has or the number of past due accounts) or may include a summarized view of a consumer's file in the form of a credit score, which is a calculated value designed to predict future behavior (in most cases the likelihood of default). To ensure that these data points are accurate and that lending decisions are informed, it is imperative that MicroBilt be able to report information that provides value to these transactions. MicroBilt currently includes information about medical debt on its reports in the ordinary course of its operations.

5. Because MicroBilt and credit markets operate on a nationwide basis, different states passing different laws increases the costs and negatively impacts the credit reporting system. Leaving aside the substantial complications that a patchwork of state regulations imposes on CRA operations, the value of the reports themselves will change if each state has different rules for what can and cannot be included on a report. Unpaid medical debt in collections is predictive of future consumer behavior.[1] Unpaid medical debt in collections helps creditors differentiate between good credit risks and bad credit risks because consumers with unpaid medical debt in collections are "substantially more risky than the population with no derogatory information in

[1] "The Impact of Medical Debt Collections on FICO® Scores," by Ethan Dornhelm, FICO Blog, FICO, July 13, 2015. Available at https://www.fico.com/blogs/impact-medical-debt-collections-ficor-scores.

their files."[2] If the available data for a consumer in State A is different from the available data for a consumer in State B, potential creditors cannot underwrite credit risk for those consumers in the same way. These potential creditors will either need to develop separate underwriting models for each state, or update their underwriting models to account for the risk inherent in lending to consumers in the state with the least amount of information on their reports. This could increase the cost of credit for consumers who do not have unpaid medical debt in their files. Either scenario imposes substantial costs on the industry and consumers alike. At some point creditors may view the expense and difficulty of dealing with a patchwork of state laws and regulations to be not worth the benefit, and move to alternative underwriting models. This could be detrimental to MicroBilt's business.

6. MicroBilt has already incurred substantial expense related to implementing various state-specific requirements, opt outs, credit freezes and various other privacy rules. With each change or new state law-regulation, MicroBilt must make time consuming and costly changes to its processes and products. It needs to update policies with state-specific procedures to ensure that all programs and products comply with any final regulation, and institute programing and re-validation of credit scores to account for any promulgated changes.

7. Given the Texas Attorney General's representation that it will not enforce S.B. 1037 while the litigation is pending, MicroBilt has not begun implementing changes necessary to comply with S.B. 1037. MicroBilt estimates that it will incur substantial costs to update its systems and processes to comply with S.B. 1037. S.B. 1037 would

[2] Id.

prohibit MicroBilt from including in consumer credit reports any medical collection account (or collection account with a medical industry code) "if the consumer was covered by a health benefit plan at the time of the event giving rise to the collection and the collection is for an outstanding balance, after copayments, deductibles, and coinsurance, owed to an emergency care provider or a facility-based provider for an out-of-network benefit claim." Complying with this provision would require MicroBilt to make extensive changes to its systems and processes, especially including making changes to the type of data that is provided by furnishers of information to MicroBilt by collectors and, in turn, the type of information that creditors provide to collectors. Unlike other state laws that tend to focus on the nature of the debt—i.e. if it came from a medical provider or whether the furnisher received payment from an insurer—S.B. 1037 focuses on the consumer (whether he was covered by insurance), the status of the medical provider, and the status of any claim with insurance to cover the services that gave rise to the debt. Updating systems to comply with this law would be a challenge.

8. Because MicroBilt does not have access to the information necessary to identify which consumers and consumer debts are covered by S.B. 1037, MicroBilt can only comply, at least in the short term, by suppressing all medical debt records for Texas residents. Implementing this change will likely require the same processes and incur the same expenses as MicroBilt's efforts to comply with other state laws that required suppression of medical debt information.

9. I declare under penalty of perjury, this November 13, 2025, based on my personal knowledge and investigation, that the foregoing is true and correct to the best of my knowledge, information and belief.

/s/ Walter Wojciechowski, CEO
Walter Wojciechowski, CEO
MicroBilt Corporation

Exhibit C

DECLARATION OF EQUIFAX

I, Nick Oldham, Chief Compliance Officer of Equifax Inc., the parent company of Equifax Information Services LLC ("Equifax"), pursuant to 28 U.S.C. § 1746, hereby declare as follows:

1. Equifax is a trusted global leader in data, analytics, and technology. Equifax is a consumer reporting agency that provides consumer reports to customers who have a permissible purpose as defined by the Fair Credit Reporting Act ("FCRA"), including for making lending decisions. Equifax includes medical debt that meets certain requirements in the consumer reports that it provides to customers.
2. I have been personally involved in efforts to evaluate the statute enacted by the 86th Regular session of the Texas Legislature captioned "Relating to Limitations on the Information Reported by Consumer Reporting Agencies" (hereinafter "S.B. 1037"), and its impact on Equifax. I submit this declaration in support of the Motion for Summary Judgment filed by the Consumer Data Industry Association ("CDIA") in the case *Consumer Data Industry Association v. Paxton*, 19-cv-00876-RP (W.D. Tex.). I am of the age of majority, am competent to make this declaration, and make this declaration based on my personal knowledge and investigation.
3. Equifax is a member of the CDIA. Equifax is headquartered in Atlanta, Georgia.
4. Equifax operates a nationwide consumer reporting agency that plays a critical role in the financial ecosystem. When a consumer needs credit or a loan, the consumer will go to a lender (e.g., a bank) to request that credit or loan. Lenders rely on data that Equifax provides to inform their lending decisions. Those data may include specific data points about a consumer's credit history called "attributes" (e.g., the number of

open accounts a consumer has or the number of past due accounts) or may include a summarized view of a consumer's file in the form of a score, which is a calculated value designed to predict future behavior (in most cases the likelihood of default). To ensure that these data points are accurate and that lending decisions are informed, it is imperative that Equifax have access to information that provides value to these transactions.

5. Because Equifax and credit markets operate on a nationwide basis, different states passing different laws increases the costs and negatively impacts the credit reporting system as a whole. Not only do laws like S.B. 1037 create costs for CRAs and lenders by requiring different procedures on a state-by-state basis, they also result in relevant information being unavailable for credit decisions, which may impact individual consumer credit decisions and raise the cost of credit generally.

6. Equifax has already incurred substantial expense related to implementing various state-specific requirements, and will be forced to incur additional expense to implement changes related to S.B. 1037.

7. Given the Texas Attorney General's representation that it will not enforce S.B. 1037 while the litigation is pending, Equifax has not begun implementing changes necessary to comply with S.B. 1037. S.B. 1037 would prohibit Equifax from including in consumer credit reports any medical collection account (or collection account with a medical industry code) "if the consumer was covered by a health benefit plan at the time of the event giving rise to the collection and the collection is for an outstanding balance, after copayments, deductibles, and coinsurance, owed to an emergency care provider or a facility-based provider for an out-of-network benefit

claim." The information required to comply with S.B. 1037 as written—whether the consumer was covered by a health benefit plan, and whether the debt is owed to an emergency care provider or is for an out-of-network benefit claim—is not currently collected in the credit reporting industry. Thus, complying with the requirements of S.B. 1037 would require Equifax to make extensive changes to its systems and processes, especially including making changes to the type of data that is provided by furnishers of information to Equifax. Critically, this information would need to be collected by the furnishers, likely from insurance providers, on an individual basis, and reported using new fields in the industry standard reporting format, Metro 2®. Unlike other state laws that tend to focus on the nature of the debt—i.e. whether it came from a medical provider or whether the furnisher received payment from an insurer—S.B. 1037 focuses on the consumer (whether he was covered by insurance), the status of the medical provider, and the status of any claim with insurance to cover the services that gave rise to the debt. Updating CRA, furnisher, and industry systems to comply with this law would require substantial effort and expense.

a. As an initial matter, Equifax would need to resolve a number of items as it relates to S.B. 1037, including:

    i. whether the law applies to residents of Texas regardless of where services were provided, or only for services provided in Texas;

    ii. whether S.B. 1037 applies to all service providers in Texas even if the consumer is not a Texas resident, and, if it only applies to Texas residents, does this no longer apply if the consumer moves to another State.

b. The Equifax data ecosystem is complex and part of the broader financial ecosystem. Every month, Equifax takes in *billions* of data points from *thousands* of furnishers. Major changes, such as those required to implement S.B. 1037, require substantial testing, industry alignment, and significant investment to ensure that the changes do not have unintended, adverse consequences to the Equifax data ecosystem, the broader financial ecosystem, or consumers.

   i. A change of this nature requires modifications to systems across the financial ecosystem. While Equifax can make changes to its own systems, without changes to industry platforms, each individual furnisher's system, and likely each health insurance provider's system, Equifax's investment would be moot.

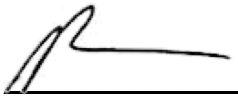
   ii. To fully implement S.B. 1037, Equifax would need to develop a system to differentiate the type of consumer and medical debt covered by the law, and the type of medical debt not covered by the law, such as medical debt related to an uninsured consumer or where the out-of-network claims process has been exhausted. Regardless of whether Equifax would address this issue through changes to its systems, supporting changes to Metro 2®, or other means, the change would require Equifax to spend a significant amount of time and money on furnisher outreach, education, and training to ensure that furnishers are aware of the changes being made, and properly update their systems and processes to conform to the updated guidance.

iii. Furnishers also process disputes through the e-OSCAR platform, which is an industry platform co-owned by the nationwide consumer reporting agencies. Changes to the e-OSCAR platform would be required to allow for a new dispute type, (i.e., disputing that an account is covered by S.B. 1037, but was reported on the consumer's report anyway), and updates would need to be made to the upstream and downstream processes at each furnisher and consumer reporting agency, including at Equifax.

iv. An industry change of this nature generally takes several quarters or years to implement and implementation costs would be significant across the industry.

c. If S.B. 1037 were to be enforced before all necessary industry changes are implemented, Equifax would be forced to suppress all accounts reported as "medical debt" from each consumer file for Texas consumers, regardless of whether the information is actually covered by S.B. 1037. This would result in significant harm to Equifax in the form of diminished data quality, data accuracy, and product performance, ultimately harming Equifax's core business, its customers, and consumers. Equifax would also incur costs to update its internal systems and processes.

8. I declare under penalty of perjury, this 13th day of November 2025, based on my personal knowledge and investigation, that the foregoing is true and correct to the best of my knowledge, information and belief.



Nick Oldham
Chief Compliance Officer
Equifax Inc.

Exhibit D

DECLARATION OF EXPERIAN

I, Sandy Anderson, Executive Vice President, Data Office, Ops and Governance, of Experian Information Solutions, Inc. ("Experian"), pursuant to 28 U.S.C. § 1746, hereby declare as follows:

1. Experian, as a consumer credit reporting agency ("CRA"), houses credit information regarding individual consumers that has been reported to it by its contracted data furnishers and makes that information available to entities who have a permissible purpose to receive it. In this capacity Experian operates under the requirements of the federal Fair Credit Reporting Act (FCRA). Medical debt is one type of information included by Experian in consumer reports and is regulated by the FCRA.
2. I have been personally involved in efforts to evaluate the statute enacted by the 86th Regular session of the Texas Legislature captioned "Relating to Limitations on the Information Reported by Consumer Reporting Agencies" (hereinafter "S.B. 1037"), and its impact on Experian. I submit this declaration in support of the Motion for Summary Judgment filed by the Consumer Data Industry Association ("CDIA") in the case *Consumer Data Industry Association v. Paxton*, 19-cv-00876-RP (W.D. Tex.). I am of the age of majority, am competent to make this declaration, and make this declaration based on my personal knowledge and investigation.
3. Experian is a member of the CDIA. Experian is headquartered in Costa Mesa, CA.
4. Experian operates a nationwide consumer reporting agency that plays a critical role in the financial ecosystem. When a consumer needs credit or a loan, the consumer will go to a lender (e.g., a bank) to request that credit or loan. Lenders rely on data that Experian provides to inform their lending decisions. Those data may include specific

data points about a consumer's credit history called "attributes" (e.g., the number of open accounts a consumer has or the number of past due accounts) or may include a summarized view of a consumer's file in the form of a credit score, which is a calculated value designed to predict future behavior (in most cases the likelihood of default). To ensure that these data points are accurate and that lending decisions are informed, it is imperative that Experian be able to report information that provides value to these transactions.

5. Because Experian and credit markets operate on a nationwide basis, different states' passing different laws increases the costs and negatively impacts the credit reporting system. Leaving aside the substantial complications that a patchwork of state regulations impose on CRA operations, the value of the reports themselves will change if each state has different rules for what can and cannot be included on a report. Unpaid medical debt in collections is predictive of future consumer behavior.[1] Unpaid medical debt in collections helps creditors differentiate between good credit risks and bad credit risks because consumers with unpaid medical debt in collections are "substantially more risky than the population with no derogatory information in their files."[2] If the available data for a consumer in State A is different from the available data for a consumer in State B, potential creditors cannot underwrite credit risk for those consumers in the same way. These potential creditors will either need to develop separate underwriting models for each state, or update their underwriting

[1] "The Impact of Medical Debt Collections on FICO® Scores," by Ethan Dornhelm, FICO Blog, FICO, July 13, 2015. Available at https://www.fico.com/blogs/impact-medical-debt-collections-ficor-scores.

[2] Id.

models to account for the risk inherent in lending to consumers in the state with the least amount of information on their reports. This could increase the cost of credit for consumers who do not have unpaid medical debt in their files. Either scenario imposes substantial costs on industry and consumer alike. At some point creditors may view the expense and difficulty of dealing with a patchwork of state laws and regulations to be not worth the benefit, and move to alternative underwriting models. This could be detrimental to Experian's business.

6. Experian has already incurred substantial expense related to implementing various state-specific requirements. As each state passes legislation, Experian must evaluate each state-specific requirement and determine the impact of the requirement on Experian operationally as well as assess any risks associated with compliance with the requirements. When it is determined a change is needed, Experian must write up the requirements for the change and get approval for the change from appropriate internal governance groups. Experian must then implement the change, test to ensure the change is implemented correctly, and put monitoring in place to ensure the change remains intact. Experian has had to go through this process many times over the last several years. With the resources required for these reviews and implementations, the focus is taken away from other important projects.

7. Given the Texas Attorney General's representation that it will not enforce S.B. 1037 while the litigation is pending, Experian has not begun implementing changes necessary to comply with S.B. 1037. Experian estimates that it will incur substantial costs to update its systems and processes to comply with S.B. 1037. S.B. 1037 would prohibit Experian from including in consumer reports any medical collection account

(or collection account with a medical industry code) "if the consumer was covered by a health benefit plan at the time of the event giving rise to the collection and the collection is for an outstanding balance, after copayments, deductibles, and coinsurance, owed to an emergency care provider or a facility-based provider for an out-of-network benefit claim." Complying with this provision would require Experian to make extensive changes to its systems and processes, especially including making changes to the type of data that is provided by furnishers of information to Experian and, in turn, the type of information that creditors provide to furnishers. Unlike other state laws that tend to focus on the nature of the debt—i.e. if it came from a medical provider or whether the furnisher received payment from an insurer—S.B. 1037 focuses on the consumer (whether he was covered by insurance), the status of the medical provider, and the status of any claim with insurance to cover the services that gave rise to the debt. Updating systems to comply with this law would be a challenge. Steps Experian would need to take include:

a. Development of a process to collect the relevant information in a standard format from a new group of data furnishers.
    i. Experian has no insight into:
        1. Whether the consumer was covered by insurance at the time of services.
        2. Whether services were provided by an emergency care provider or out-of-network provider with a pending benefit claim.

b. Updates to system architecture to link this new information to the correct records, to put validation checks in place on the new data fields, to add fields to the database, to ensure that covered information is excluded from consumer reports, and to monitor for data irregularities and data furnishers meeting reporting obligations.

c. Outreach to and coordination with furnishers to implement changes including testing to ensure reporting and ingestion are working as planned.

d. Updates to consumer relations/dispute investigation and resolution to deal with disputes that allege a tradeline should not be on report because of S.B. 1037 or that the new data reported because of S.B. 1037 is incorrect.

e. Updates to procedures and policies which would require training of employees in several areas – MCE, Data Management, Product, Analytics, and Sales.

f. Any number of unanswered questions will need to be resolved:

   i. Does S.B 1037 apply to residents of Texas regardless of where the medical services were provided? Or only for services provided in Texas? If the latter, that would require information not currently reported to Experian as the location of services is unknown today.

   ii. Does S.B. 1037 apply to all service providers in Texas even if the consumer is not a Texas resident? If just Texas residents, does S.B. 1037 continue to longer apply if the consumer moves somewhere else?

8. Given these challenges, Experian may have no choice but to simply suppress all medical debt information for consumers covered by S.B. 1037, following processes similar to those Experian followed when implementing new laws of other states.

This will weaken the credit reporting system overall, by excluding some information from reports, and therefore making the reports less predictive.

9. I declare under penalty of perjury, this November 12, 2025, based on my personal knowledge and investigation, that the foregoing is true and correct to the best of my knowledge, information and belief.

Sandra Anderson

Sandy Anderson
Executive Vice President, Data Office, Ops and Governance
Experian Information Solutions, Inc.

Exhibit E

DECLARATION OF TRANSUNION

I, Kevin Henry, Senior Director, Data Integration of TransUnion, pursuant to 28 U.S.C. § 1746, hereby declare as follows:

1. TransUnion is a leading global information and insights company that makes trust possible between businesses and consumers, helping people around the world access opportunities that can lead to a higher quality of life. That trust is built on TransUnion's ability to deliver safe, innovative solutions with credibility and consistency. As part of this, TransUnion provides consumer reports to customers nationwide who have a permissible purpose as defined by the Fair Credit Reporting Act ("FCRA"), including for conducting background checks and making lending decisions. Medical debt is one type of information included by TransUnion in consumer reports and is regulated by the FCRA.
2. I have been personally involved in efforts to evaluate the statute enacted by the 86th Regular session of the Texas Legislature captioned "Relating to Limitations on the Information Reported by Consumer Reporting Agencies" (hereinafter "S.B. 1037"), and its impact on TransUnion. I submit this declaration in support of the Motion for Summary Judgment filed by the Consumer Data Industry Association ("CDIA") in the case *Consumer Data Industry Association v. Paxton*, 19-cv-00876-RP (W.D. Tex.). I am of the age of majority, am competent to make this declaration, and make this declaration based on my personal knowledge and investigation.
3. TransUnion is a member of the CDIA. TransUnion is headquartered in Chicago, Illinois.

4. TransUnion operates a nationwide consumer reporting agency that plays a critical role in the financial ecosystem. When a consumer needs credit or a loan, the consumer will go to a lender (e.g., a bank) to request that credit or loan. Lenders rely on data that TransUnion provides to inform their lending decisions. Those data may include specific data points about a consumer's credit history called "attributes" (e.g., the number of open accounts a consumer has or the number of past due accounts) or may include a summarized view of a consumer's file in the form of a credit score, which is a calculated value designed to predict future behavior (in most cases the likelihood of default). To ensure that these data points are accurate and that lending decisions are informed, it is imperative that TransUnion have the ability to report information that provides value to these transactions.

5. Because TransUnion and credit markets operate on a nationwide basis, different states passing different laws increases the costs and negatively impacts the credit reporting system. Leaving aside the substantial complications that a patchwork of state regulations imposes on CRA operations, the value of the reports themselves will change if each state has different rules for what can and cannot be included in a report. Information about unpaid medical debt in collections helps financial institutions assess the credit history of consumers. If the available data for a consumer in State A is different from the available data for a consumer in State B, potential creditors cannot underwrite credit risk for those consumers in the same way. These potential creditors will either need to develop separate underwriting models for each state, or update their underwriting models to account for the risk inherent in lending to consumers in the state with the least amount of information on their reports. This

could increase the cost of credit for consumers who do not have unpaid medical debt in their files. Either scenario imposes substantial costs on industry and consumers alike. At some point creditors may view the expense and difficulty of dealing with a patchwork of state laws and regulations to be not worth the benefit and move to alternative underwriting models. This could be detrimental to TransUnion's business.

6. TransUnion has already incurred expense related to implementing various state-specific requirements. Many states have enacted laws that regulate the inclusion of medical debt information in consumer reports by, for example, prohibiting entities from furnishing medical debt information, prohibiting consumer reporting agencies from including medical debt in consumer reports, and prohibiting end users from considering medical debt as a factor in credit decisions. These laws historically have required TransUnion to utilize the time and resources of internal technical teams to code, test, and implement database projects designed to prevent barred medical debt from being included in credit reports of consumers who reside in states that have restricted such medical debt reporting.

7. Given the Texas Attorney General's representation that it will not enforce S.B. 1037 while the litigation is pending, TransUnion has not begun implementing changes necessary to comply with S.B. 1037. TransUnion estimates that it will incur substantial costs and would require industry-wide reporting format changes to update its systems and processes to comply with S.B. 1037.

8. S.B. 1037 would prohibit TransUnion from including in consumer credit reports any medical collection account (or collection account with a medical industry code) "if the consumer was covered by a health benefit plan at the time of the event giving rise

to the collection and the collection is for an outstanding balance, after copayments, deductibles, and coinsurance, owed to an emergency care provider or a facility-based provider for an out-of-network benefit claim." As set forth further below, complying with this provision would require TransUnion and the other credit reporting industry participants to make extensive changes to their systems and processes, especially including Metro 2 reporting format[1] changes to the type of data that is provided by collection data furnishers of information to TransUnion, and may also require industry changes to the type of information that original creditors provide to debt collection companies seeking to report such collections to consumer reporting agencies. Unlike other state laws that tend to focus on the nature of the debt—i.e. whether it came from a medical provider or whether the furnisher received payment from an insurer—S.B. 1037 focuses on the consumer (whether he was covered by insurance), the status of the medical provider, and the status of any claim with insurance to cover the services that gave rise to the debt. Updating systems to comply with this law would be a challenge.

9. To fully comply with S.B. 1037, TransUnion would be required to coordinate with the industry as a whole to make extensive changes to their existing systems and processes, along with customer outreach, education and industry-wide adoption. As a starting point, furnishers and customers would also need to change their systems to

[1] The Metro 2 Format is a standardized electronic data reporting format adopted by the credit reporting industry to assist data furnishers (such as banks, credit unions, consumer credit card companies, retailers, and auto finance companies) in providing accurate and consistent information to consumer reporting agencies. *See* Metro 2 Format for Credit Reporting, Consumer Data Industry Association, https://www.cdiaonline.org/resources/furnishers-of-data-overview/metro2-information/.

comply with these new TransUnion system requirements. Such changes would likely take years and cost significant sums. These changes are described below.

a. Currently, Transunion only accepts data from furnishers that use the Metro 2 format. That format includes codes that can be leveraged to identify some medical debt furnished by debt collectors. But Metro 2 lacks information necessary to identify the medical debts covered by S.B. 1037, specifically: whether the consumer was covered by a health benefit plan at the time of services; whether the medical debt is an outstanding balance, after copayments, deductibles, and coinsurance; and whether the medical debt is owed to an emergency care provider or a facility-based provider for an out-of-network claim. Metro 2 would need substantial overhaul to add additional reporting fields to collect and transmit the specific information required to fully identify qualifying debts covered by S.B. 1037. Because Metro 2 is an industry standard format for data transmitted by furnishers to consumer reporting agencies, these changes would likely require an industry-wide effort.

b. TransUnion would need to work with the industry as a whole to communicate these extensive changes to nearly all of the thousands of institutions that furnish data to make sure that they accurately identify any medical debt that is furnished.

c. The last time such changes were made involving Metro 2, furnishers required 18 months of time from roll-out to substantial compliance.

d. Only after the completion of the overhaul of Metro 2 would TransUnion be able to fully evaluate the myriad additional changes that would be required to

appropriately handle the additional information and monitor furnishing to ensure that the automated processes for excluding medical debt are working as expected.

10. Although the full extent of the myriad additional changes is unknown, below are but a few of the additional steps TransUnion will have to undertake to fully comply with the law.

    a. TransUnion would need to update policies and procedures to handle new types of disputes alleging that medical debt covered by S.B. 1037 is appearing on consumer reports improperly.

        i. TransUnion anticipates an increase in the number of consumers who dispute tradelines based on those tradelines including medical debt covered by S.B. 1037. Addressing those types of disputes likely will require an industry-wide effort to update e-OSCAR, the industry standard complaint handling system. Currently, e-OSCAR does not have a dispute code specific to the type of medical debt covered by S.B. 1037.

        ii. TransUnion may also need to implement policies and procedures, and make additional systems updates, to monitor medical debt-related disputes to ensure that furnishers are accurately identifying furnished data as medical debt covered by S.B. 1037.

    b. TransUnion would also need to dedicate additional technical efforts to ensure specific medical debts, as identified by the new inputs designed into Metro 2, were not being included in consumer credit reports, as well as developing a

system to monitor that the processes to suppress medical debt covered by S.B. 1037 are working as intended.

c. TransUnion would also need to update training materials to ensure that staff are appropriately implementing the requirements of S.B. 1037.

d. TransUnion would also need to expend resources to resolve unanswered questions, such as whether to suppress medical debt for residents of Texas regardless of where services were provided, or only for services provided in Texas; whether to apply the law to all service providers in Texas even if the consumer is not a Texas resident; and whether to apply the law to Texas residents who move somewhere else.

e. Additionally, TransUnion would further need to resolve remaining questions related to the use of the medical debt deemed ineligible for credit reports per S.B. 1037 for non-credit reporting products and purposes. The work necessary to delineate the data usage for different allowable purposes would require significant technical resources in addition to further compliance monitoring similar to that required for the steps above.

11. Because of the way TransUnion's systems are currently configured, the only way that TransUnion could comply with S.B. 1037 in the short term is to code its systems to suppress *all* medical debt from *all* consumer reports prepared by TransUnion related to consumers living in Texas. This change is necessary because, as discussed above, TransUnion currently has no visibility into factors that would allow it to exclude from a consumer report medical debt that is covered by S.B. 1037. For example, TransUnion lacks information from furnishers about the consumer's health care

coverage, such as whether the consumer was covered by insurance at the time of services. This will harm TransUnion's business and weaken the credit reporting system overall.

a. In recent years TransUnion has voluntarily made extensive changes to its reporting of medical debt information in consumer reports including: 1) removing all paid medical debt collections from consumer reports; 2) extending the time before unpaid medical debt collections are included on consumer reports; and 3) removing medical debt collections of less than $500 from consumer reports. These changes allow more time for insurance reimbursements and other third-party payments to catch up to corresponding consumer debt obligations before the obligations were included on a consumer report, while continuing to provide predictive data to users of consumer reports. Importantly, the changes were made after extensive research and study determined that removing those items from consumer reports would not adversely affect the overall predictive nature of the data presented to TransUnion customers.

b. However, rather than the targeted, voluntary changes to the reporting of medical debt described above, S.B. 1037 would cause TransUnion to suppress *all medical debt* for Texas consumers, at least in the short term. This change would undermine the utility of TransUnion's consumer reports.

c. To comply with state requirements, TransUnion has worked to develop a means of restoring medical debt information that has been previously suppressed. But this process would restore suppressed medical debt

information only if a furnisher continued to provide the information to TransUnion. Therefore, even if S.B. 1037 were held invalid or otherwise reversed, certain suppressed medical debt information might be irretrievably lost.

d. The consumer reports TransUnion creates will be less complete and accurate if truthful information regarding medical debt covered by S.B. 1037 is excluded from the reports. Thus, TransUnion projects that some creditors will no longer be willing to purchase TransUnion consumer reports and/or will insist on paying less for TransUnion consumer reports. This will result in a significant loss of revenue to TransUnion from its credit reporting business.

12. If TransUnion's competitors comply with S.B. 1037 in a way that allows them to differentiate between medical debt covered by S.B. 1037 and other medical debt, this would put competitive pressure on TransUnion to offer similar products, which in turn could force TransUnion to undertake the long and expensive project of redesigning its systems.

13. I declare under penalty of perjury, this 13th day of November, 2025, based on my personal knowledge and investigation, that the foregoing is true and correct to the best of my knowledge, information and belief.

Signed by:
FE7BDEFECEDE40E...

Kevin Henry
Senior Director, Data Integration
TransUnion

Exhibit F

IN THE UNITED STATES DISTRICT COURT
FOR THE 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 OF THE STATE OF TEXAS, Defendant.	)	**No. 1:19-CV-00876-RP**

PLAINTIFF CONSUMER DATA INDUSTRY ASSOCIATION'S EXPERT WITNESS DESIGNATION

Pursuant to Rules 26 of the Federal Rules of Civil Procedure, Plaintiff Consumer Data Industry Association discloses the following as its expert witness:

1. CDIA designates Patricia Finneran Dubie.
2. The opinions, qualifications, bases for the opinions, and other disclosures Rule 26(a)(2) requires are contained in Ms. Dubie's Expert Report produced with this designation. Subject to any revisions or amendments, Ms. Dubie will provide expert opinions and testimony consistent with her Expert Report.

Dated: April 10, 2024,

Respectfully submitted,

/s/ Jennifer L. Sarvadi

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Attorneys for Plaintiff
Consumer Data Industry Association

CERTIFICATE OF SERVICE

I hereby certify that on the 10th day of April 2024, I caused a true and accurate copy of the foregoing document entitled Plaintiff CDIA's Expert Witness Designation to be served via e-mail upon the following:

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State of Texas

/s/ Jennifer L. Sarvadi
Jennifer L. Sarvadi
Hudson Cook, LLP
Attorney for Plaintiff

EXPERT REPORT BY PATRICIA FINNERAN-DUBIE IN THE MATTER OF CONSUMER DATA INDUSTRY ASSOCIATION V. STATE OF TEXAS

My name is Patricia Finneran Dubie. I have prepared this expert report at the request of the Consumer Data Industry Association ("CDIA"), and its nationwide consumer reporting agency members, Experian Information Solutions, Inc. ("Experian"), Equifax Information Services, LLC ("Equifax"), and Trans Union, LLC ("Trans Union"), which have sought my expert analysis regarding the practices of the consumer reporting industry in implementing changes to medical collection reporting. Specifically, I have been asked to opine on the process for implementing the changes required by Texas SB 1037 on the reporting of medical collection accounts by these consumer reporting agencies.[1]

As set forth more fully below, based on the record and my knowledge of the industry, it is my opinion that the implementation of the requirements of Texas SB 1037 would require a number of changes to the credit reporting system and could take up to 24 months to fully implement.

I. BACKGROUND AND QUALIFICATIONS

I began my career with TRW, now known as Experian Information Solutions, Inc.("Experian"), in July 1980. I started at Experian as a Customer Service Representative working with consumers' credit reports and disputes. On a daily basis, I assisted consumers who either believed that there was an inaccuracy on or had questions about information appearing on their Experian consumer credit reports. In this capacity, I began building a wealth of knowledge and experience assisting consumers. I observed a vast array of circumstances that led consumers to contact Experian and the policies and procedures that Experian had in place to effectively and efficiently assist them.

In 1986 I accepted a position as Assistant Branch Manager, responsible for the consumer assistance representatives and our manual correction team. In 1992 I accepted a position in Experian's Data Management group as a Data Consultant Lead. In this role I was responsible for a segment of data furnisher data. My team was responsible for the receipt, analysis and uploading of data to the Experian database. During my time in this area, I began to build my expertise on the data furnishers, the data they contributed to the nationwide consumer reporting agencies,), analysis procedures, system technology as well as industry trends.

Between the years of 1995 to 2020, my role was expanded to include systems, rules, data engagements. I worked directly with our Data Furnishers to understand their data reporting needs using Metro 2® format, dispute processing, data analysis and training on various Experian systems and processes. I worked with CDIA as a member of the Metro 2® Data Reporting Task Force for over 20 years, working to build industry standards for accurate data reporting to the

[1] As described more fully below, my work in the industry has been focused on the reporting of consumer report information by the three nationwide consumer reporting agencies identified above.

CRAs. I was part of several working teams, working with litigators, state laws, state legislation, federal legislation, and regulators to defend current practices but to also understand, resolve and/or scope and design development changes for our data furnishers and internal systems as necessary or required to mitigate risk for all parties.

My duties also included making recommendations regarding system process, procedural changes, as well as system / software updates to enhance the functions and to mitigate risk. I have been involved in several 'industry-wide' processes which included changes to New York Purge rules for negative data, implementation of the changes adopted through the National Consumer Assistance Plan (NCAP), and Bankruptcy Chapter 7 and Chapter 13 processing and display rules for Consumer Reports.

In September 2020, I began working with CDIA as a Training Consultant. I continue to work with the Metro 2® Task Force supporting their work with the Data Furnisher community on updates/enhancements to the Credit Reporting Resource Guide® (CRRG®), training seminars designed to train Data Furnishers on the use of the Metro 2® Format, how to use the Credit Reporting Resource Guide® and to answer all Data Furnisher submitted questions to the CDIA Metro 2® Portal.

I have not authored any publications within the past 10 years. During the past four years, I have provided deposition or trial testimony in the matter of *Omar Santos, et al. v. Experian Information Solutions, Inc., et al.* I am being compensated at a rate of $146 per hour for my work in this matter. I have no financial or other stake in the outcome of this case.

In addition to the documents cited in my report, I have received and reviewed the following documents, which I may rely upon for my opinions in this case:

- Amended Complaint and attachments
- Answer of the State of Texas
- CDIA's Answers and Objections to Defendant's First Set of Interrogatories

II. The Credit Reporting System

The credit reporting system in the United States involves four principal actors: (1) consumers; (2) consumer reporting agencies ("CRAs"), which include the nationwide CRAs (also known as credit bureaus); (3) furnishers of consumer report information to the CRAs (such as lenders that have accounts with consumers or collection agencies); and (4) users of consumer reports, which are the companies that request consumer reports for their business uses. Furnishers provide information to CRAs, and CRAs collect and compile consumer information into consumer reports and provide them to authorized users.

These activities are primarily governed by the Fair Credit Reporting Act ("FCRA"). Under the FCRA, CRAs are required to "maintain reasonable procedures to ensure maximum possible accuracy of the information concerning the individual about whom the report relates."[2] A CRA's procedures to assure maximum possible accuracy include policies and procedures regarding the collection, validation, maintenance and reporting of information they collect about consumers.

[2] Section 607(b) of the FCRA, 15 U.S.C. § 1681e(b).

Each of the nationwide CRAs ("NCRAs"), which consist of Equifax, Trans Union, and Experian, maintain over 1.3 billion active tradelines, most of which are furnished by financial institutions or entities such as collection agencies.[3] A "tradeline" refers to account information provided by furnishers to CRAs for the inclusion in a consumer report.

In addition to maintaining policies and procedures to assist with assuring accuracy, the NCRAs established standardized data reporting formats for the type of information furnishers provide on an account, as well as instructions to educate users on how that information appears in reports so the users may interpret the data accurately. The Metro 2® Task Force, which is comprised of representatives from these four CRAs, maintains the Metro 2® Format, the current standardized format. This format is designed to standardize a wide range of credit information while complying with federal laws and regulations for credit reporting. The manual that accompanies the format is known as the Credit Reporting Resource Guide® ("CRRG®").

The right of a consumer to dispute inaccurate information provides another mechanism to assure accurate consumer report information. CRAs are required to conduct a reasonable reinvestigation to determine whether the disputed information is inaccurate, and record the current status or delete the item within the statutory time frame. With respect to the NCRAs, the FCRA requires that the NCRAs implement "an automated system through which furnishers of information to that consumer reporting agency may report the results of a reinvestigation that finds incomplete or inaccurate information in a consumer's files **to other such consumer reporting agencies."**[4] This requirement was designed to ensure that if a furnisher updated its reporting in response to a dispute that was submitted through one of the NCRAs, it would provide the results of that dispute to all of the NCRAs to which it furnished the information (often referred to as the "carbon copy" requirement). To comply with this requirement, the e-OSCAR platform was built "to enable a nationwide consumer reporting agency to communicate consumer disputes to data furnishers and to record responses from data furnishers."[5] The e-OSCAR platform delivers the disputes in an electronic format, known as an Automated Credit Dispute Verification (ACDV), that enables the furnisher to see what information is being reported by the NCRA, review the information submitted by the consumer with their dispute, and respond back to the NCRAs electronically with the results of the furnisher's investigation.

III. SUMMARY OF OPINION AND BASIS

I have been employed in the Credit Industry for 43.5 years. I have 40 years of Credit Bureau reporting expertise. During this time, I worked on several projects that would require my knowledge to develop implementation strategies which would include: software development changes or enhancements for the CRA and Data Furnisher, training for CRA employees as well as the Data Furnishers, and communication plans that would detail the changes required as well as

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[3] *See* Consumer Financial Protection Bureau's Key Dimensions Report ("Key Dimensions"), dated December 2012, *available at* https://files.consumerfinance.gov/f/201212_cfpb_credit-reporting-white-paper.pdf.

[4] 15 U.S.C. § 1681i(a)(5)(D).

[5] Key Dimensions, supra n. 3, at 31.

an implementation timeline. I was a member of the CDIA Metro 2® Task Force for 20+ years working with the Data Furnisher community on updates/enhancements to the Credit Reporting Resource Guide®, training seminars designed to train Data Furnishers on the use Metro 2® Format, how to use the Credit Reporting Resource Guide® and to answer all Data Furnisher submitted questions to the CDIA Metro 2® Portal.

In my role with Experian, I was significantly involved with the implementation of the changes involved with NCAP, where the NCRAs agreed to make certain changes to the data reporting of specific types of medical debt accounts ("Medical Collection Debt"). In part, the NCAP settlement addressed the reporting of certain Medical Collection Debt where the Collection Agency has received or is receiving payments from insurance. To implement the changes, the NCRAs worked with the Metro 2® Task Force to enhance the use of a special comment code, making it applicable to accounts that met the definition of Medical Collection Debt. The work to implement these changes included revisions to the CRRG®, and applicable training regarding the use of the code in the medical collections space.

The NCAP settlement also prohibited the NCRAs from reporting Medical Collection Debt until at least 180 days have passed from the date of first delinquency of the account. In July of 2022, the NCRAs voluntarily expanded on this to require those accounts to be held from reporting until the account reaches 365 days past the date of first delinquency. The purpose of this was to provide ample time for the consumer, medical providers and an insurance company to resolve outstanding billing issues. The Metro 2® Task Force similarly prepared an education campaign to advise Medical Collection data furnishers of these new requirements.

All of the above changes required the Medical Collection data furnishers to make software code changes for their data reporting to the NCRAs. The NCRAs placed this responsibility on the furnishers, as the NCRAs do not have visibility into a consumers medical insurance status,[6] the type of service received, consumer co-payments, deductibles or of the consumers procedure or medical facility that their insurance did not cover. The insurance payment conditions required flagging by the data furnisher so the NCRAs could identify the special condition. The NCRAs also had to make their own changes to their systems, including development software changes/processing changes on their internal systems to identify and process the data accordingly to ensure compliance with the NCAP settlement.

Based on my experience in the credit reporting industry, and specifically my involvement with the Metro 2® Task Force and the implementation of the changes adopted as a result of the NCAP settlement, I have formed my opinion on the efforts that would be necessary for the Medical Collection and Credit Reporting industry to comply with Texas SB 1307.

Based on the work I did with the implementation of the NCAP settlement changes, it is my opinion that the NCRAs would not be able to identify account information in their files that would fall within the scope of SB 1037 without the furnishers of that information providing additional information to the NCRAs and/or identifying those accounts to the NCRAs. It is also my

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[6] I am not aware of an outside source for this information other than the medical collection furnishers. It is my understanding that medical insurance information is subject to medical privacy laws.

opinion that the work done to implement NCAP changes does not obviate the need for other work to be done for NCRAs to comply with SB 1037 because the NCAP changes were not designed to identify consumers who have medical insurance coverage, but was designed only to identify when a Medical Collection Debt furnisher received payment from an insurance company. TX SB 1037 is written to require identification of a consumer who has insurance coverage.

As with NCAP, there are several requirements of Texas SB 1307 which would first need to be defined.

- How is the debt to be excluded identified, and what parameters were set forth to identify the debts that qualify?
- How is the consumer to be identified? For example- are the requirements of Texas SB 1307 triggered if the consumer resides in the state of TX, if the Medical Provider is the state of TX, or both?
- What provisions are in place if the consumer no longer resides in TX?

To fully comply with the requirements of SB 1037, the NCRAs, the Medical Collection Furnishers, the CRAS, and the e-OSCAR dispute system would be required to make software and process changes to identify and process impacted qualified accounts. Those changes would include:

- A new code or other tool would need to be established for use in the Metro 2® Reporting format to identify these debts;
- Changes to the Metro 2® Format would be necessary to add the code or other tool, and documentation would need to be created for the appropriate use, update to all Collection Agency training materials for ongoing support and training for this industry;
- Changes would be required for the Medical Data Furnisher to properly identify impacted accounts and flag those accounts in their data reporting;
- CRAS would be required to make software changes to identify this new code and process accordingly;
- Dispute systems require changes to allow the use of this code in dispute response as necessary, updates to the dispute tracking and reports would be required;
- Training would be required for all Medical Collection furnishers, CRAs and e-OSCAR dispute processing; and
- Modifications may be required for users of a Credit Report -depending on the use of the data for display on reports.

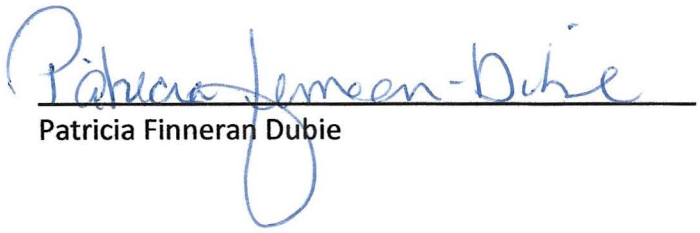
Based on my experience and expertise, and in particular my experience in working with the implementation of the NCAP settlement changes on Medical Collections Debt reporting, it could take the industry approximately 24 months for these changes to be fully implemented. Each of the NCRAs would need to invest through the personnel and costs involved in changes to their own software to draft a requirement document which would define the new rules for update and processing to ingest new the codes, software and application testing and verification

of those changes, advising and testing related changes in the dispute process, and working with furnishers on their adoption of the new codes.

IV. CONCLUSION

Based on the record and my knowledge of the industry, it is my opinion that the implementation of the requirements of Texas SB 1037 would require a number of changes to the credit reporting system by the NCRAs, data furnishers, and the dispute processing system.

April 10, 2024



Patricia Finneran Dubie

Exhibit G

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF TEXAS
AUSTIN DIVISION

CONSUMER DATA INDUSTRY ASSOCIATION,

Plaintiff,

v.

TEXAS through Attorney General KEN PAXTON, acting in his official capacity,

Defendant.

Civil Action No. 1:19-cv-00876-RP

JOINT STIPULATION OF UNDISPUTED MATERIAL FACTS

Plaintiff Consumer Data Industry Association ("CDIA"), by and through its counsel of record, Nanette K. Beaird, and the State of Texas, by and through its counsel of record William Farrell, hereby stipulate and agree to the following material facts for the purpose of this court's consideration of CDIA's motion for summary judgment:

1. Texas Bus. & Com. Code § 20.05(a)(5) prohibits consumer reporting agencies from including certain medical debt information in consumer reports. Specifically, "a consumer reporting agency may not furnish a consumer report containing information related to … a collection account with a medical industry code, if the consumer was covered by a health benefit plan at the time of the event giving rise to the collection and the collection is for an outstanding balance, after copayments, deductibles, and coinsurance, owed to an emergency care provider or a facility-based provider for an out-of-network benefit claim." Tex. Bus. & Com. Code § 20.05(a)(5).
2. The State of Texas has the authority to enforce Section 20.05(a)(5).

3. The Texas Attorney General agreed not to enforce Section 20.05(a)(5) during the pendency of this litigation, but the Texas Attorney General's office has never agreed (and does not agree) not to enforce Section 20.05(a)(5) against CDIA's members in the future.

Dated: November 14, 2025

By: Nanette K. Beaird

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Respectfully Submitted,

By: /s/ William Farrell

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