

CFPB Clarifies Federal Preemption of State Credit Reporting Laws

Healthcare Law Update

CFPB Clarifies Federal Preemption of State Credit Reporting Laws

Carol Grelecki
Member, Healthcare

Jonathan J. Walzman
Member, Healthcare

Rebecca T. Falk
Associate, Healthcare

BRACH | EICHLER LLC
Counsellors at Law

12/1/2025

On October 28, 2025, the Consumer Financial Protection Bureau (CFPB) [issued](#) an interpretive rule clarifying its position that the federal Fair Credit Reporting Act of 1970 (FCRA) broadly preempts state laws concerning credit reporting. The new rule replaces a July 2022 interpretive rule issued by the Biden Administration, which narrowly interpreted the FCRA's preemption and suggested that states could regulate credit reporting beyond what federal law provides. The July 2022 interpretive rule prompted several states, including New Jersey, to enact laws limiting medical debt reporting, an area which is not regulated by federal law.

While interpretive rules are not legally binding, the new rule signals the federal government's position on preemption and effectively encourages litigants to challenge state laws that restrict the content of credit reports. As a result, the New Jersey Louisa Carman Medical Debt Relief Act, which bars creditors and debt collectors from reporting most medical debt to consumer reporting agencies, may face challenges from industry groups citing the CFPB's renewed stance.

[Click Here to read the entire December 2025 Healthcare Law Update now!](#)

For more information, contact:

Carol Grelecki | 973.403.3140 | cgrelecki@bracheichler.com

Jonathan J. Walzman | 973.403.3120 | jwalzman@bracheichler.com

Rebecca Falk | 973.364.8393 | rfalk@bracheichler.com

Authors

The following attorneys contributed to this insight.



Carol Grelecki

Member
Healthcare Law

973.403.3140 · 973.618.5540 Fax
cgrelecki@bracheichler.com



Jonathan J. Walzman

Member
Healthcare Law, Corporate
Transactions & Financial Services

973.403.3120 · 973.618.5561 Fax
jwalzman@bracheichler.com



Rebecca T. Falk

Associate
Healthcare Law

973-364-8393 · 973-618-5923 Fax
rfalk@bracheichler.com