

The Fair Credit Reporting Act describes how long items can remain in credit reports and when they must be removed. Some items have a 7-year "Statute of Limitations" while other items remain for 10 years or, in the case of tax liens, indefinitely.

Officially called "running of reporting period", the credit reporting period is also called the statute of limitations (SoL) and is one of the most misunderstood parts of the fair credit reporting act. The following information is taken directly from the Fair Credit Reporting Act (FCRA) and from the Federal Trade Commission's official interpretation of the "**running of reporting period!**"

1. [Important Dates To Know](#)
2. [Running of Reporting Period](#)
3. [Reporting Period: after Dec 29, 1997:](#)
4. [Reporting Period: prior to Dec 29, 1997](#)
5. [Extensions to the Reporting Period](#)
6. [Bankruptcy Reporting Period](#)
7. [What if my bankruptcy case was dismissed?](#)
8. [Can debts included in a bankruptcy be reported individually?](#)
9. [Permissible purposes of consumer reports](#)
10. [Can Debt Collectors obtain just any credit report?](#)
11. [When can a debt collector pull my credit report?](#)
12. [How long do the credit bureaus keep my credit information?](#)

13. [Credit Repair Help](#)

[Up](#) 1. Important Dates:

- **April 1971:** Congress passes the Fair Credit Reporting Act (FCRA);
- **September 30, 1996:** Congress amends the 1971 FCRA;
- **September 30, 1997:** The amended FCRA becomes effective (except the running of reporting period which becomes effective in 97)
- **December 29, 1997:** The Running of the Reporting Period becomes effective (455 days after Sep 30, 96)

[Up](#) 2. Running of Reporting Period - Section 605 [15 U.S.C. § 1681c]

As of December 29, 1997 the reporting period runs 7 ½ years (7 years plus 180 days) from the date (month and year) of the last delinquency (known as "last missed payment:).

So, regardless of how long a creditor waits to charge off, sell or transfer a debt, **they must report the true and correct "delinquent or last missed payment" date** (month and year) that preceded the creditor's action.

[Up](#) 3. Example after Dec 29, 1997:

A payment was due on January 10, 1998 but, you failed to make that payment and never made another payment. The Creditor waits until August 98 to take action (charge off, send to collections, sell/transfer debt, etc.) on the debt.

The 180 day count began on January 98, (your last missed payment month) and runs until July 98 at which time the seven (7) year reporting period begins and runs until July 2005.

[Up](#) 4. Example prior to Dec 29, 1997

The reporting period runs 7 ½ years **from the date (month and year) of the creditor's action** (charge off, sell or transfer) on the debt **NOT** from the last missed payment date.

A payment was due on January 10, 1996 but, you failed to make that payment and never made another payment. The Creditor waits until August 1996 to take action (charge off, send to collections or sell/transfer) on the debt.

The 180 day count **began on the creditors action month**, in this case August 96, and runs until February 97 at which time the seven (7) year reporting period begins and runs until February 2004.

[Up](#) 5. Can the Running of the Reporting Period be extended?

Absolutely Not!

Prior to 1996, any account activity extended the reporting period so creditors and

collectors took advantage of this loophole to keep negative items on a consumer's report for many years. **In order to eliminate this loophole, Congress amended the FCRA in 96** and firmly established a date from which the 7 1/2 year period begins as the month/year of delinquency (last missed payment).

Therefore, whether the 7 1/2 -year period has expired or not, the running of the reporting period **cannot** be adjusted just because one of the following events or actions occur:

1. Creditor sells or transfers the debt;
2. You respond to a post-charge off collection effort by making a payment or signing a payment agreement;
3. You dispute the account or item with a credit reporting agency (CRA).

Up **6. Bankruptcy Reporting Period**

Bankruptcy is reported for 10 years from the date the bankruptcy is discharged (otherwise known as the "Order of Relief" date) or from the date the bankruptcy case is adjudicated.

Example Chapter 7:

You file bankruptcy on January 10, 2003 and receive a discharge on May 30, 2003. The bankruptcy remains on your credit report until May 2013. (10 years)

Example Chapter 11:

You file bankruptcy on January 10, 2003. You receive confirmation of your chapter 11 plan on March 15, 2003. The bankruptcy remains on your credit report until March 2013. (10 years)

Example Chapter 12 and 13:

The court normally grants the discharge as soon as practicable after you complete all payments under your repayment plan (typically 3-5 years).

So, you file bankruptcy on January 10, 2003 and you begin making payments a couple months later. You complete your repayment plan on March 1, 2006 (3 years later) and the court grants your discharge 70 days later on May 10, 2006. In this case, the bankruptcy remains on your credit report until May 2016. (10 years from the discharge date)

Up **7. What if my bankruptcy case was dismissed?**

When a bankruptcy petition (voluntary or involuntary) is dismissed with no entry of an order for relief, it is considered adjudicated and is reported for 10 years from the date of the adjudication.

When bankruptcy information is reported to Credit Reporting Agencies, the provider of the information must include the Bankruptcy Chapter (7, 11 12 or 13), the discharge or adjudication date, and if the petition was withdrawn by the consumer before a final

judgment and the date of the withdrawal.

Up 8. Can debts included in a bankruptcy be reported individually?

Yes! Although most (in some cases all) debts are included in the bankruptcy, they can still be reported individually but must reflect the correct delinquency dates and can only be reported for the 7 1/2 year reporting period while the bankruptcy itself is reported for 10 years.

Section 623 of the FCRA requires furnishers of information to consumer reporting agencies to report accurate (section 623(a)(1)), complete and updated information (Section 623(a)(2)).

When a consumer continues or resumes payments on an obligation discharged in bankruptcy, a creditor may report delinquencies subsequent to the bankruptcy, as long as the information provided to the credit reporting agency is accurate, complete, and updated, in accordance with those provisions. Of course, the creditor is then also subject to the notice and dispute procedures of Section 623(a) and (b) with respect to its reporting.

Up 9. Permissible purposes of consumer reports

Section 604(a)(3)(A) **permits creditors or third party debt collectors** to receive consumer reports if the third party "intends to use the information in connection with a credit transaction involving the consumer . . . and **involving the extension of credit to, or review or collection of an account, of the consumer.**

In general, any consumer reporting agency may furnish a consumer report under the following circumstances and no other:

1. In response to the order of a court having jurisdiction to issue such an order, or a subpoena issued in connection with proceedings before a Federal grand jury.
2. In accordance with the written instructions of the consumer to whom it relates.
3. To a person which it has reason to believe
 - (A) intends to use the information in connection with a credit transaction involving the consumer on whom the information is to be furnished and involving the extension of credit to, or review or collection of an account of, the consumer; or
 - (B) intends to use the information for employment purposes; or
 - (C) intends to use the information in connection with the underwriting of insurance involving the consumer; or
 - (D) intends to use the information in connection with a

determination of the consumer's eligibility for a license or other benefit granted by a governmental instrumentality required by law to consider an applicant's financial responsibility or status; or

- (E) intends to use the information, as a potential investor or servicer, or current insurer, in connection with a valuation of, or an assessment of the credit or prepayment risks associated with, an existing credit obligation; or
- (F) otherwise has a legitimate business need for the information

Up 10. Can Debt Collectors obtain consumer credit reports for the sole purpose of locating consumers who owe debt or for the purpose of soliciting collection business from creditors?

NO! Collectors are not authorized to obtain (nor a CRA to furnish) a consumer report because under the above two scenarios, collectors do not own an account and therefore **DO NOT have a "legitimate business need"** to obtain the credit reports.

The entire focus of Section 604 is to protect the confidentiality of consumers' personal data in the files of CRAs, by restricting access to parties who have a specific need for it.

Up 11. Can debt collectors pull my credit report when collecting a debt I owe?

Yes! In this case, collectors have a "legitimate business need" to obtain your credit report because they have either been hired by the creditor or have purchased the debt thus they are in possession or control of the delinquent account.

Up 12. How long do the credit bureaus keep my credit information?

The credit bureaus keep your personal credit history for a period of approximately ten years:

- Unpaid Tax Lien - Indefinitely
- Chapter 7 Bankruptcies - 10 years from date filed.
- Public Records - 7 years from the date of payment;
- Closed or Inactive Accounts - 10 years from the date of last activity;
- Derogatory Accounts - 7 years from the date of original delinquency;

[3-in-1 credit report with all 3 scores order form](#)

Up 13. Credit Repair Help

Good credit gives you financial freedom from ridiculously high interest rates! Credit MD offers professional credit repair specialist who examine your reports with you over the phone and work with you to develop a plan of action to correct or eliminate any errors, misrepresentations, or

unverifiable information, which you identify on your credit reports. They dispute each items on your behalf to have the item removed or changed AND each time they do, you receive a free updated copy of your credit report from the credit bureaus. You can contact their specialist by phone or e-mail with any questions and you may cancel the service at anytime. **Most clients see results within the first 45 days of service and there are no other hidden charges or fees. The best part is they Guarantee Results or Give you back your money.**

[Need Help Repairing Your Credit?](#)

[Let Credit MD's Repair Specialists Help You Restore Your Credit Today!](#)

www.CreditMD.com
Credit Repair Made Easy!

Rich's Enterprises, Edinburgh Street, Montgomery Alabama

[Fair Credit Reporting](#) >> Running of reporting period

[Click here to see
how we track
traffic statistics
for our site](#)