

# Credit Reporting and Repair for Domestic Violence Survivors

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Presented by The Consumer Rights for Domestic Violence Survivors Initiative, a partnership of the Center for Survivor Agency and Justice, the National Consumer Law Center, the National Network to End Domestic Violence, and the National Association of Consumer Advocates

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# Consumer Rights for Domestic Violence Survivors Initiative



THE CENTER FOR SURVIVOR AGENCY AND JUSTICE

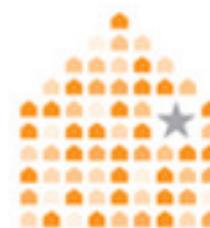


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TO END DOMESTIC  
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# Poll #1: Who Are You?

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- Advocate at domestic violence program or shelter
- Legal services
- Other nonprofit
- Government employee
- Other

# Credit Reporting Considerations For DV Survivors

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- Economic Harm of DV
- Importance of Credit Reports
- Special Issues
  - Joint Accounts
  - Identity Theft By Abuser
  - Survivors Creating New Identities

# What Is a Credit Report?

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- A record of an individual's borrowing and repayment of debts
- Fair Credit Reporting Act definition: any communication re:
  - credit worthiness, character, general reputation, personal characteristics, mode of living
  - used or expected to be used to establish eligibility for credit, insurance, employment, or other authorized purpose

# The Players in Credit Reporting

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- Consumer reporting agencies (CRAs) or Credit Bureaus
  - 3 major CRAs or “credit bureaus” (Equifax, Experian, Trans Union)
  - Background check agencies – e.g., LexisNexis f.k.a. Choicepoint
  - Specialty CRAs – e.g. tenant screening agencies, re-sellers, employment databases
- Furnishers of information
- Subscribers or users of information

# Types of Information in a Credit Report

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- Basic info (Header)
  - Name
  - Current and former addresses
  - Birth date
  - SSN
  - Can include telephone numbers; spouse; Past and present Employers.

# Types of Information in a Credit Report (cont.)

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- Payment History on Credit Accounts
  - Mortgages; auto loans
    - Special issue: Property rights vs. credit obligations
  - Revolving accounts (credit cards)
    - Special issue: Co-obligor vs. authorized user
  - Collection agency entries
  - Source of obligation – Community Property States; Medical Necessaries; Creditor's default presumption of spousal obligation

# Types of Information in a Credit Report (cont.)

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- Inquiries
- Public record information
  - Bankruptcies
  - Foreclosures, tax liens
  - Court judgment and filings (special issue)

# Sample Report

Appx. I.1.2

Fair Credit Reporting

## 1.1.2 Experian

Please note that this report is a sample only and is subject to change.

Sample Credit Report

Page 1 of 4



### Online Personal Credit Report from Experian for

Experian credit report prepared for <b>JOHN Q CONSUMER</b> Your report number is <b>1562064685</b> Report date: <b>01/24/2005</b>	<b>Index:</b> <ul style="list-style-type: none"><li>• Potentially negative items</li><li>• Accounts in good standing</li><li>• Requests for your credit history</li><li>• Personal information</li><li>• Important message from Experian</li><li>• Contact us</li></ul>
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Experian collects and organizes information about you and your credit history from public records, your creditors and other reliable sources. Experian makes your credit history available to your current and prospective creditors, employers and others as allowed by law, which can expedite your ability to obtain credit and can make offers of credit available to you. We do not grant or deny credit, each credit grantor makes that decision based on its own guidelines.

### Potentially Negative Items

[back to top](#)

#### Public Records

Credit grantors may carefully review the items listed below when they check your credit history. Please note that the account information connected with some public records, such as bankruptcy, also may appear with your credit items listed later in this report.

<b>MAIN COUNTY CLERK</b> Address: 123 MAINTOWN S BUFFALO, NY 10000	Identification Number: 1	Plaintiff: ANY COMMISSIONER O.
Status: Civil claim paid.		Status Details: This item was verified and updated on 06-2001.
Date Filed: 10/15/2000	Claim Amount: \$200	
Date Resolved: 01/04/2001	Liability Amount: NA	
Responsibility: INDIVIDUAL		

#### Credit Items

For your protection, the last few digits of your account numbers do not display.

<b>ABCD BANKS</b> Address: 100 CENTER RD BUFFALO, NY 10000 (505) 555-5555	Account Number: 1000000...	
Status: Paid/Past due 60 days.		
Date Opened: 10/1997	Type: Installment	Credit Limit/Original Amount: \$623
Reported Since: 11/1997	Terms: 12 Months	High Balance: NA
Date of Status: 01/1999	Monthly Payment: \$0	Recent Balance: \$0 as of 01/1999
Last Reported: 01/1999	Responsibility: Individual	Recent Payment: \$0
Account History: 60 days as of 12-1996 30 days as of 11-1996		

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# Credit Scores

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- Computer model that translates information in credit report into a number.
  - Supposedly predicts how likely it is that a consumer will repay a loan and make the payments when due.
- Most popular type is FICO score
  - Usually between 300 and 850. A higher number is considered a better score.
  - Other scores: VantageScore, specialty scores
- Use in insurance underwriting and ratesetting



# Questions?

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## Poll #2: How often do you check your credit report?

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- Ummm...I haven't checked it.
- Only before I enter into a credit transaction, e.g., car loan or mortgage.
- Once a year, using my free annual report.
- More than once a year but less than monthly.
- Every month or more.

# FCRA Protections

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- Right to copy of your report
- Restrictions on who can view report
- Accuracy requirements
- Prohibition against “old” information
- Notice of adverse action
- Right to request investigation of errors
- Fraud blocks and alerts
- Security freezes

# How to Obtain a Credit Report

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- Consumers get 1 free report every year.
- Must use the Centralized Source
- Click [www.annualcreditreport.com](http://www.annualcreditreport.com),
- Call 877-322-8228
- Mail the Annual Credit Report Request Form, available at [www.ftc.gov/credit](http://www.ftc.gov/credit)

Annual Credit Report Request Service  
P.O. Box 105281  
Atlanta, GA 30348-5281

# Other Free Credit Reports

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- Can also get free report if
  - Adverse action w/in 60 days
  - Unemployed job seekers
  - Public benefits recipients
- Free second copy for residents of certain states (CO, GA, MD, MA, NJ, VT)

# How to Get A Credit Score

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- Credit bureaus are permitted to charge a fee, to be established by FTC.
- Go to:
  - [www.myfico.com](http://www.myfico.com)
  - Equifax, Experian or TransUnion website
  - When ordering free report
- Caveats
  - Probably will not get the same credit score as lenders
  - Hard to avoid more expensive products or “trial periods”

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# Who Is Allowed to See Credit Reports? (15 U.S.C. § 1681b)

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- With consumer's authorization
- In connection with credit transaction or review or collection of account
- Has legitimate business need for information (e.g., application for rental housing, checking account, utilities)
- Potential employers (with authorization)

# Who Is Allowed to See Credit Reports? (15 U.S.C. § 1681b)

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- Insurers
- Pre-screening
- Government agencies
  - collecting child support
  - determining eligibility for needs-based assistance

# Can the Abuser Obtain the Credit Report?

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- Probably won't have a "permissible" purpose
  - BUT it's not hard to get a copy
  - Joint reports
- Keeping Information Safe
  - Don't use confidential address in credit applications or inquiries
  - Security freeze
  - Monitor her report and try to keep the address off.

# Can the Abuser Obtain the Credit Report?

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- Special Problem – Background Checks (Public Record Reports).
  - Reports generated from Public Records databases
  - Lexis Nexis – Accurint; Express Screen
  - ChoicePoint – Multiple products
  - Over 500 different Background Check companies
  - The “Wild West” – a new frontier in FCRA business and governance.
  - No significant obstacles on access

## Poll # 3: Have you seen credit reporting errors when you help DV survivors?

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- No, I don't help DV survivors with those problems
- No, I haven't seen any errors
- Yes, I have seen errors or problems

# Protections for Accuracy

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- Credit reports prone to errors
- Not strict liability
- Consumer reporting agencies duty
  - “Follow reasonable procedures to assure maximum possible accuracy”
- Furnisher’s duty
  - Not to furnish information it “knows or has reasonable cause to believe” is inaccurate

# What Cannot Be in Credit Report?

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- Obsolete Information (15 U.S.C. § 1681c)
  - Negative credit information > 7 years
  - Bankruptcy information > 10 years
  - Lawsuits > 7 years from date of entry or until statute of limitations expires
  - Criminal convictions indefinitely
  - Clock runs from date
    - account placed in collection or charged off
    - 180 days after delinquency

# Adverse Action

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- Users required to give notice when take adverse action based on consumer report
  - “any action adverse to the interests of the consumer”

Poll #4: What kinds of errors have you seen in credit reports (mark all that apply)

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- Payments wrongfully marked late
- Mystery unknown accounts or accounts listed twice
- Accounts in my client's name for which another person (including abuser) is responsible
- Obsolete information
- Identity theft or another person's credit record "mixed" with my client's

# Disputing Errors

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- Dispute in **writing** and include documentation supporting dispute
- CRA must investigate and respond within 30 days or 5 days after investigation completed (15 U.S.C. § 1681i)
- Information furnisher required to participate in investigation (15 U.S.C. § 1681s-2(b))
  - Separate right to dispute directly with furnisher (15 U.S.C. § 1681s-2(a)(8)) but consumer cannot enforce remedy.

# Disputing Errors (cont.)

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- Always send the dispute by certified mail.
- Send the creditor/furnisher a copy of the dispute
- Make the dispute letter as detailed as possible
- The consumer needs to be involved in the dispute process

# Disputing Errors (cont.)

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- Include the consumer's full name, current address and Social Security number.
- Make the dispute an affidavit
- Include all supporting documents.
- Tell the CRA the result the consumer wants
- Right to include written statement of dispute

# Sample Dispute Letter

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## SAMPLE LETTER OF DISPUTE

Your Address

Date

Address of Consumer Reporting Agency

Address of Creditor

Dear Agency and Creditor:

[YOUR IDENTIFICATION INFORMATION: Name, address, and Social Security number]

I am writing to dispute the following item in my credit report: [clearly describe the item you are disputing]. I dispute this information because [explain clearly WHY you are disputing the information.]

[Example: *I am writing to dispute item #1 in my credit report. This is information from an account with Big City Department Store. I dispute this information because the account does not belong to me. It belonged to my ex-husband. I was never listed on the account and I never had authorization to use the account.*]

I request that you delete [or if appropriate correct] this inaccurate information. Please send me a copy of the corrected credit report.

[If possible:] I have enclosed information to support this claim.

Sincerely,

[ATTACH COPIES OF SUPPORTING DOCUMENTS, IF ANY.]

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# Improving/Building a Credit History

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- Married consumers – ECOA rights
- Submit positive history to creditors
- Building a Credit History
  - Student Loans
  - Open a secured or store credit card
    - Beware getting overextended
    - Avoid fee-harvester cards
    - Avoid deferred interest plans
  - Small, affordable credit union or car loan
    - Beware predatory car dealers

# Domestic Relations Concerns

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- Private agreements in divorce need to include consideration of creditor
- Notify creditor when closing account or obligation and do so in writing.
- Notify creditors that no longer at the same address (P.O. Box or alternate address)
- Keep a copy of all correspondence.

# Survivors with a New Identity

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- Special considerations for survivors who establish a new identity
  - Avoid using history from prior identity
  - No easy answers

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# Identity Theft by Abuser

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- Identity theft is often perpetrated by family, intimate partners, or acquaintances
- May also be creditor error or listing of spouse when times were better.
- Creditors try to impose burden on the consumer – “Domestic Policy”
  - Requirement that consumer do the detective work
  - Don’t back down

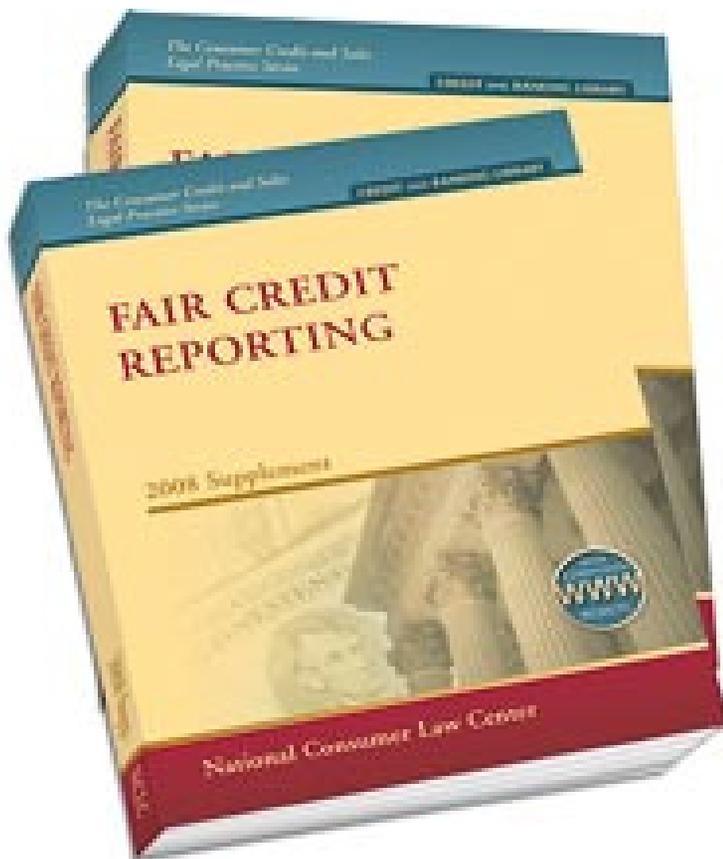
# Identity Theft by Abuser

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- Police report – to file or not to file?
  - Some creditors will not treat as ID theft without police report
  - Safety considerations
  - Will the police accept a report?
- Preventing future harm
  - Fraud alerts
  - Security Freeze

# Want More Information?

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[www.consumerlaw.org](http://www.consumerlaw.org)

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