



CoreLogic®  
Credco®

# Credit Reporting

Commonly Asked Questions



## What is a credit score and how does it affect a consumer?

A credit score is a number that lenders use to predict how likely an individual is to repay a loan or make credit payments on time. When lenders request a credit report and score from a credit reporting agency, the score is calculated by a scoring model – a mathematical equation that evaluates many types of credit data. By comparing information to the patterns in thousands of past credit reports, scoring identifies a consumer's level of credit risk. Also, different lenders have different criteria for approving loans; therefore, they may use a variety of credit scores – many customized.



## Who can order a credit report?

Consumers may request their own credit report at any time. Access to a consumer's credit information is regulated by the Fair Credit Reporting Act (FCRA) and administered by the Federal Trade Commission. Companies may request a consumer credit report from a credit reporting agency when they have a "permissible purpose" that qualifies under the FCRA. FCRA-permissible purposes include:

- ▶ *Granting of credit*
- ▶ *Collection of debt*
- ▶ *Underwriting of insurance*
- ▶ *Employment*
- ▶ *Issuing a license as required by some government agencies*
- ▶ *Initiation by the consumer of a legitimate business*
- ▶ *Transaction between a business and the consumer*

Any person who knowingly and willfully obtains consumer information from a credit reporting agency under false pretenses shall be fined under Title 18, United States Code, imprisoned for not more than two years, or both.

## What information is needed to access a credit report?

To access credit data, the following information should be provided: consumer's complete name (including suffixes), Social Security number, and all addresses covering the past two years of residency.

## How long are bankruptcies and other delinquent or derogatory credit reportable?

The FCRA provides the following statute of limitations.

**Bankruptcies:** ten years from the date of entry of the order for relief

**Suits and Judgments:** seven years from date of entry or expiration of applicable statute of limitations, whichever is longer

**Tax Liens–Paid:** seven years from date of payment

**Tax Liens–Unpaid:** no limitation

**Collections:** seven years

**Charged to Profit and Loss:** seven years

**Criminal Record Limitations:** no limitation on criminal conviction

**Other Lates & Adverse Information:** seven years

## Why does one family member's credit data show up on another family member's credit file?

Sometimes mixed credit can exist in credit bureau data. For example, a parent and adult child who share the same or similar names may develop mixed credit. This is compounded by sharing the same residence address or by having shared a prior residence address.



## What if I have a common name?

It's very important to use your full legal name (not nicknames or first initials), including suffixes such as junior, senior, II, III, or IV if appropriate. All requested information should be completed on credit applications, including date of birth, current and previous addresses. If a mixed file should occur, simply fill out a dispute form explaining the situation and mail it to the agency that reported the information.

## Is a lender permitted to access credit data on the consumer's spouse without the spouse's permission?

A lender may not generally obtain a credit report on an applicant's spouse unless the spouse is a co-applicant or will be liable; the applicant is relying on the spouse's income to qualify; the applicant resides in a community property state or the property on which the applicant is relying on for repayment is located in a community property state; or the applicant is acting as an agent for the non-applicant spouse.



## Why do loans that a consumer co-signed for appear on their credit report?

A co-signer on a loan is responsible for the debt if the primary account holder does not pay on the account as agreed or defaults on the loan. The delinquencies may appear on the co-signer's credit report and the co-signer may be responsible for the repayment of the debt.

## How does a divorce affect a consumer's credit?

A divorce decree does not take the place of the original contract with the creditor. It does not

release a consumer's legal responsibility on the account. If an account was awarded to the ex-spouse in the divorce decree, the consumer must contact each creditor directly to release his or her obligation.

### What are the ECOA codes and what do they mean?

The ECOA (Equal Credit Opportunity Act) code indicates who is responsible for each account and the type of participation for that account, as follows:

- U** UNDESIGNATED Not designated by the creditor
- I** INDIVIDUAL Individual account
- J** JOINT Joint account
- A** AUTHORIZED USER Authorized to use someone else's account
- S** SHARED Joint account
- C** CO-MAKER Joint responsibility for the account
- B** CO-SIGNER Responsibility only in case of default on the account
- M** MAKER Individual account
- T** TERMINATED Closed account
- X** DECEASED Deceased individual

Why does a paid account appear on a credit report with other than a zero balance?

The balance may have been paid, but not yet updated with the bureaus. Creditors have 30 to 90 days to send updated information to the bureaus. The reported date of the credit account located on a credit report will indicate the last time the account was updated with the bureaus.

How is it possible that an account be listed as “current” and “closed” at the same time?

Both “current” and “closed” can be listed on your account together. The word “current” represents that the last account payment was paid as agreed, and “closed” indicates that the credit account was closed for further use or the account has been paid in full.

Why are some account numbers on the credit report different from those on the loan application?

Credit grantors may shorten, lengthen, or truncate account numbers when reporting to the credit bureaus. For security reasons, creditors may also scramble account numbers.

How will “shopping for credit” affect a credit report?

Consumers shopping for a new auto or home loan may submit numerous applications to lenders within a short period of time, resulting in multiple credit bureau inquiries. To minimize any possible impact of these events, all auto and mortgage inquiries from the most recent 30 days are ignored. Any auto or mortgage inquiries in the past are grouped into 14 or 45 day periods, depending on the score model, so that only one inquiry of each type is used in the score. Inquiries remain on file for two years.

## What happens when I pay a collection, judgment or tax lien?

When a collection, judgment or tax lien is paid it will not be removed from your credit file. It will be updated to show it has been paid. It will have the word “Satisfied”, “Released”, or “Paid” beside it.

## What if a consumer has little or no credit history?

CoreLogic Credco offers Anthem, a nontraditional credit report, that helps establish creditworthiness when a consumer has a thin credit file. This special report utilizes all available credit bureau data and supplements it with alternative sources such as rent payments and utility bills. The final product meets or exceeds secondary marketing requirements.

## What should consumers do if there is an error on their credit report?

Information reported to the credit bureaus is only as current and accurate as the information reported by creditor(s). Therefore, consumers who want to dispute information on a credit report should contact the creditor and the agency that developed the report. The bureaus can correct any inaccurate information that may appear in their permanent files. The FCRA allows a credit reporting agency a “reasonable period of time” to reinvestigate disputed items.

For those who have credit information pulled directly through CoreLogic Credco, consumers can take advantage of our FREE Consumer Assistance and Disputes Resolution services by calling 800.637.2422.





For More Information


Credit Scores  
[www.fairisaac.com](http://www.fairisaac.com)

Free Credit Reports  
[www.annualcreditreport.com](http://www.annualcreditreport.com)

Credit Bureaus  
[www.experian.com](http://www.experian.com)  
[www.equifax.com](http://www.equifax.com)  
[www.transunion.com](http://www.transunion.com)

Free Consumer Assistance and  
Disputes Resolution  
(Available to all consumers who have their  
credit reports pulled CoreLogic Credco)

800.637.2422  
[consumerinquiry@corelogic.com](mailto:consumerinquiry@corelogic.com)



CoreLogic Credco  
12395 First American Way  
Poway, California 92064  
Phone: 800.255.0792



CoreLogic®  
Credco®

[credco.com](http://credco.com)