

New Reforms Will Improve Credit Reporting Accuracy for Millions of Consumers

For Immediate Release: June 28, 2017 || Contact: Jan Kruse (jkruse(at)nclc.org) or 617.542.8010

Boston – Effective July 1, 2017, the three largest credit bureaus—Experian, Equifax, and TransUnion—will no longer report tax liens and civil judgments on consumer credit reports, and medical debt less than six months old will not be reported as of September 1. As a result, an estimated 12 million people may realize improved credit scores. The change is the result of a lawsuit brought by attorneys general in 31 states against the “Big Three” credit reporting agencies for including “mixed file” errors in credit reports.

The following statement is by National Consumer Law Center attorney Persis Yu.

“With credit reports as a gatekeeper to affordable credit, employment, housing, utilities, and insurance, American families cannot afford to have erroneous judgments on their credit reports. Unfortunately, inaccuracies and errors plague credit reports, with estimates of serious errors affecting up to 25% of reports. Sloppy tactics such as attributing judgments to consumers without full identifying information increase error rates. Fortunately, starting July 1, the three largest credit bureaus will be forced to end this reckless practice as the result of a settlement with the Attorneys General. And as of September 2017, medical debts that are less than six months old will no longer be included in credit reports, removing a source of debt that is often unanticipated or erroneous but comprises one of the most common types of consumer debt. We expect that the result will be better accuracy for consumers.”

Consumers can access their credit reports and scores at the official source for free annual credit reports: www.annualcreditreport.com. Yu suggested that consumers stagger their requests by ordering one report from each of the Big Three credit reporting agencies (Equifax, Experian, and TransUnion) every four months, essentially obtaining “credit monitoring for free.”

Consumers with complaints regarding credit reporting companies can file them with the Consumer Financial Protection Bureau at: <http://www.consumerfinance.gov/complaint>. The CFPB tries to resolve consumer complaints, and often is able to help. It also uses information from consumers to identify bad practices.

For more information on the National Consumer Law Center’s body of work on credit reports, please visit: <https://nclc-old.ogosenet.net/issues/credit-reports.html>.