CONSUMER DATA INDUSTRY ASSOCIATION
Empowering Economic Opportunity

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New Public Record Credit Reporting Standards to Begin July 1, 2017
Civil Judgments and some Tax Liens to be removed from many credit reports

New standards for how tax liens and civil judgments are included in credit reports will go into effect on July 1. These changes are part of the National Consumer Assistance Plan (NCAP), an initiative of the three nationwide consumer reporting agencies (CRAs) – Equifax, Experian and TransUnion – to enhance the accuracy of credit report information and to improve the experience consumers have when interacting with the CRAs about their credit report.

Beginning July 1, public record data collected for credit reporting purposes, including bankruptcies, civil judgments and tax liens, must contain minimum identifying information and be collected at more frequent intervals as follows:

- Minimum reporting of: (1) Name, (2) Address, and (3) Social Security Number and/or date of birth; and

- Minimum frequency of courthouse visits to obtain newly filed and updated public records of at least every 90 days.

The changes to public record reporting requirements will have an impact on consumer reporting databases. While bankruptcy public records already meet the enhanced standards, civil judgments and approximately half of tax liens are not expected to satisfy the enhanced standards and will no longer be reported.

These changes will be applied to the CRAs' consumer reporting databases in July 2017. Modifications will be visible on credit reports soon after.

"It's important that consumers understand the impact of how these liens and judgments are reported," said Francis Creighton, President & CEO of the Consumer Data Industry Association, a trade group representing the CRAs. "The changes that the CRAs are making will improve the quality and currency of data reported, ensuring that the credit reporting system stays strong."

Analyses conducted by the CRAs and credit score developers FICO and VantageScore show only modest impacts to credit scoring and predictive performance because of the public records changes.

Launched in March 2015 after cooperative discussions and an agreement with a group of State Attorneys Generals, the NCAP includes multiple initiatives to be completed over a three-year period to improve data accuracy and quality, and make it easier for consumers to understand their credit information.

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New Public Record Credit Reporting Standards
Frequently Asked Questions

Q: Why are new information standards for tax liens and civil judgments being implemented for consumer credit reports?

A: As part of their National Consumer Assistance Plan (NCAP), the three nationwide credit agencies (CRAs) – Equifax, Experian and TransUnion – have been working to improve the accuracy of credit report information as well as to provide consumers with a better experience interacting with the CRAs. The enhanced standards are designed to help improve the accuracy of consumer credit reports.

Q: Will all tax lien and civil judgments be removed from consumer credit reports?

A: No. Tax liens which adhere to the enhanced standards will remain. Because civil judgments don't adhere to the enhanced standards, they will be removed from consumer credit reports. These changes will be applied to consumer credit files in July 2017. Modifications will be visible on credit reports soon after.

Q: What are the criteria for public records (tax liens / civil judgments) to be on credit reports?

The new standards will apply to new and existing public record data on their respective credit reporting databases and will require:

- Minimum reporting of (1) Name, (2) Address, and (3) Social Security Number and/or date of birth; and

- Minimum frequency of courthouse visits to obtain newly filed and updated public records of at least every 90 days.

Q: Will the enhanced standards have an impact on consumer credit scores?

A: Consumer credit scores may change after the removal of public data records from consumer credit reports. According to an analysis by VantageScore® Solutions, slightly over 8 percent of the scoreable U.S. population received a change in score, with an average score increase of 10 points. Furthermore, FICO believes that the impacts on FICO® Scores in the aggregate will be moderate.

Q: Should consumers with public record information on their credit reports follow up with the CRAs following the implementation of the enhanced standards?

A: No, no action is required by consumers.

Q: How quickly will the information be removed and scores updated?

A: These changes will be applied to the CRAs consumer reporting databases in July 2017. Modifications will be visible on credit reports and scores, if applicable, soon after.

Q: Can consumers still dispute a tax lien on their credit reports for errors or inaccuracies?

A: Yes, if a consumer believes a public record reported on their credit report is inaccurate or not current, they are encouraged to file a dispute with the CRA.

Q: How will the credit file changes impact financial institutions and their lending activities?

A: Analyses conducted by the credit reporting agencies and credit score developers FICO and VantageScore show only modest credit scoring impacts and impact to predictive performance as a result of the changes to public record standards.