



Division of Financial Practices

Helen Goff Foster,
Attorney

**UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580**

February 15, 2000

Re: Responsibilities of furnishers of information to consumer reporting agencies--
FCRA §623(a)

Dear Mr. Boynton:

This is in response to your correspondence concerning the Fair Credit Reporting Act ("FCRA"). You state that "[i]t frequently occurs that after filing a bankruptcy petition and receiving a discharge, a borrower will continue to make payments on a secured loan to retain possession of his home, his automobile, or other collateral." You inquire: "If the borrower later becomes delinquent in payments following the bankruptcy case, is the creditor prohibited from reporting such delinquencies on the secured loan to credit reporting agencies?" We believe that a creditor may report delinquencies in the scenario you describe.

Section 623(a) of the FCRA delineates the responsibilities of furnishers of information to consumer reporting agencies. It requires that furnishers 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.

I hope that this information is helpful to you. The views expressed in this letter are those of the staff and do not necessarily represent the views of the Commission or of any individual Commissioner.

Sincerely,

Helen G. Foster