Summary Fair Credit Reporting Act (FCRA)

The Fair Credit Reporting Act (FCRA) is enforced by the Federal Trade Commission. The FCRA is designed to promote accuracy and ensure the privacy of the information used in consumer reports. The FCRA protects the public from the reporting of inaccurate information by credit agencies. The act allows individuals to inspect their files at a credit bureau, correct any errors and make changes or attach explanatory statements to supplement the file.

Reporting of obsolete information prohibited

Except as authorized under subsection (b), no consumer reporting agency may make any consumer report containing any of the following items of information:

- Cases under title 11 of the United States Code or under the Bankruptcy Act which from the date of entry of the order for relief or the date of adjudication, as the case may be, precede the report by more than 10 years,
- Suits and judgments which, from date of entry, precede the report by more than seven years or until the governing statute of limitations has expired, whichever is the longer period,
- Paid tax liens which, from date of payment, precede the report by more than seven years,
- Accounts placed for collection or charged to profit and loss, which precedes the report by more than seven years.
- Records of arrest, indictment, or conviction of crime, which, from date of disposition, release, or parole, precede the report by more than seven years.
- Any other adverse item of information, which precedes the report by more than seven years.

Liability for negligent noncompliance

Liability for Violations of the FCRA – Failure to comply with the FCRA can result in state or federal enforcement actions, as well as private lawsuits.

Any person who knowingly and willfully obtains information on a consumer from a consumer reporting agency under false pretenses shall be fined not more than $5,000 or imprisoned not more than one year, or both.