



Important follow up message to a previously distributed email.

"The message below applies to Collection Agencies only."

The Fair Credit Reporting Act was amended in 2003 and these amendments included stronger statutory requirements for the accuracy of data furnished to consumer reporting agencies. The amended law also called for new regulations regarding data accuracy which will be drafted this year. To help our data furnishers with their independent efforts to successfully manage the process of furnishing data, our national credit reporting agency members designed the Metro 2 data reporting standard. In this letter we want to highlight several key data furnisher issues that are of particular importance to collection agencies.

First, please be aware that the industry's Metro 2 guide does have specific instructions when a third party collection account is returned to the original lender. Specifically, the collection agency should direct the national credit reporting agency to delete the trade data from the consumer's file since it is no longer an account for which the agency is attempting collection. Following is the information that appears in the Credit Reporting Resource Guide in the collection agency reporting guidelines section.

7. Account Status Codes (Base Segment, Field 17A) — report only the following:

93 — Account assigned to internal or external collections

62 — Paid in full, was a collection account

DF — Delete entire account due to confirmed fraud

DA — Delete entire account (for reasons other than fraud)

- Collection Agencies must delete accounts that have been canceled and returned to the creditor.
- Debt Purchasers/Factoring Companies must delete accounts that have been forwarded or sold to another entity.
- This value should also be used for accounts reported in error.

Do not delete paid in full collection accounts

If your company is still reporting in the old Metro Format, the codes for deleting an account are Account Status Code "04" and Special Comment Code "R". CDIA strongly recommends that you convert to the Metro 2 Format.

Also, FCRA Sections 623(a)(5)(A) & (B) stipulate what a collection agency must do to attempt to determine the date it must provide to a consumer reporting agency for purposes of calculating a seven-year period. This date is key to ensuring that collection accounts, even when transferred from one collection agency to another, do not result in a change in the calculation of the seven-year period for retention of adverse information. The Metro 2 format requires the reporting of this information in the "FCRA Compliance/Date of First Delinquency Field" (number 25) in the base segment.

Finally, all collection agencies which provide services to the medical community should consider whether or not they are medical information providers (see FCRA Section 623(a)(9)). If a collection agency is a medical information

provider, it must notify the consumer reporting agencies to which it reports data of this fact. This can be handled in Metro 2 by reporting Creditor Classification "02" in the K1 Segment for each medical account reported.

We know that we share the same goal, namely to provide accurate data upon which creditors and others can rely to make informed decisions. Please provide this information to those in your organization that deal with reporting collection account data to our member companies.

Thank you in advance.

Sincerely,

Stuart K. Pratt
President and CEO

Consumer Data Industry Association 1090 Vermont Avenue NW Suite 200 Washington, DC
20005
phone 202.371.0910
fax 202.371.0134
[Click here](#) to unsubscribe.