

Handout 2: Credit Bureau Reporting

Section 466(a)(7) of the **Social Security Act** requires states to establish procedures to periodically report delinquent non-custodial parents (NCPs) and corresponding arrearage information to credit-reporting agencies. Currently, this information is reported to three credit-reporting agencies:

- Trans Union
- Experian
- Innovis

Case Criteria

- Open IV-D case
- Non-end-dated support order
- Confirmed good primary Social Security Number (SSN) exists for the NCP
- Responding intergovernmental case
- If case is **Initiating Intergovernmental**, the referral type must be **Request Registration of a Foreign Support Order for Enforcement; Request Registration of Foreign Support Order for Modification; or Request Registration of Foreign Support Order for Modification and Enforcement**
 - Note: If NJKiDS is updated with an Initiating status, then the common practice is to exempt/exclude enforcement remedies, especially if we are asking a Responding Agency to enforce on our behalf. The only exception would be an Initiating Request in which we are registering an order for Modification only.
- NJKiDS system date is the same as or later than the support order effective date plus 45 calendar days; that is, 45 calendar days have passed since the support order effective date reflected in NJKiDS

- For current charging cases, arrears are greater than one month; however, if there is income withholding, then the arrears must be greater than two months of support
- Arrears are greater than or equal to \$1,000; for arrears only cases, the arrears must be greater than two months of support
- No active Chapter 13 Bankruptcy
- No active Credit Reporting Exemptions
- No active Enforcement Exemptions
- No open credit-reporting activity exists on the **Enforcement Processes** page.
- Non-end-dated addresses on the **Address History** page

Time Frames

- The system performs monthly checks to determine arrears status for cases that qualify for credit bureau reporting. (Following the monthly check, qualifying cases are reported on the first Friday of each month.)
- The NCP is notified by the Notice of Reporting to Credit Agencies (CS044).
- Once submitted for credit bureau reporting, the system checks the arrears balance weekly and updates the credit-reporting agencies.

NOTE



Once submitted for credit bureau reporting, the entry remains on the NCP's credit report for seven years from the last update.

NJKiDS

NJKiDS identifies cases that are eligible for reporting to the credit bureaus. Eligible cases are identified on a monthly basis. This includes newly submitted cases and cases previously submitted. Once a case is submitted, NJKiDS continues to provide weekly updates to the account.

When a case is identified for the credit-reporting remedy, the Notice of Reporting to Credit Agencies (CS044) is sent to the NCP. If the NCP does not contest credit reporting within the allotted time period, the remedy advances to the next activity. If arrears have fallen below the eligibility threshold, the activity chain closes. If the NCP submits an contest, the AOC will conduct an initial investigation of the case.

The AOC will determine if the case should be marked as follows in NJKiDS:

- Case No Longer Eligible
- Cancel Remedy Temporarily
- No Mistake of Fact
- Exempt
- Referred to Probation


Contest

NCPs may contest submission of arrears information to the credit-reporting agencies. The NCP is notified by the Notice of Reporting to Credit Agencies (CS044) and has 35 days from the date of the notice to contest to Probation Services at the Administrative Office of the Courts (AOC) to stop the submission to the credit bureau. Contests must be in writing and sent directly to the AOC. The following conditions constitute grounds for contesting the submission of arrears information to the credit-reporting agencies:

- The incorrect person has been reported.
- A court order exempts the NCP from credit bureau reporting.
- The account does not have qualifying arrears.
- The arrears are not for child support but, rather, for medical, dental, or educational expenses.
- Alimony only case

All contests will be reviewed on receipt. This review will result in one of the following:

- If the arrears are reduced below \$1,000 and the person identified as the NCP acknowledges that he/she is the NCP, the case is canceled from the current monthly cycle. The NCP is notified of the cancellation in writing.
- If the NCP acknowledges that he or she has qualifying arrears but is claiming that such action will have an adverse effect on his or her credit record, the PCSE Unit will advise the NCP in writing that the contest was rejected.
- If the NCP provides documented evidence that he or she does not qualify for credit bureau reporting, the contest is forwarded to the PCSE Unit for further examination and, if necessary, will be scheduled for an administrative review.

NJKiDS 	<p>Pages associated with Credit Reporting:</p> <ul style="list-style-type: none">• Manage Tasks page• Enforcement Processes page• Financial Events on a Case page• Update Obligation page• Update Case Information page• View / Update Notes page• Reprint Previously Generated Documents page• View and Print Documents page• Arrears Balance History by Case ID or NCP pages
--	---