

# Fair Credit Reporting Act (FCRA)

[Return to Glossary](#)

The **Fair Credit Reporting Act (FCRA)** was passed in 1970 to regulate credit agencies and promote fair and secure handling of consumer information.

The FCRA attempts to limit the dissemination of information through five main rules:

1. Credit reports and investigative reports must be differentiated so that any irrelevant is not mixed
2. Reports can only be made available to those with "legitimate business needs"
3. The subject of a report must be notified of any request for their information
4. Agencies must give consumers access to their own files if they ever should request it
5. A time limit is set for the retention of information on reports. Information that is seven years or older must be deleted, while information regarding bankruptcies can be removed only after fourteen years

According to the FCRA, obsolete information may not be investigated and included on reports. Information found in reports can be contested in the event that a mistake is found. The credit agency must begin an investigation, and if a mistake is proven to exist, the information must be removed immediately. If a consumer is affected by the contents of their report, the user of the report must notify the consumer so that he or she can access their file and receive an explanation of the contents of their file from the agency. The FCRA also includes the Red Flag Rule, which was added by the Fair and Accurate Credit Transactions Act. A Change of Address Rule is also set in place so that government financial agencies must verify change of addresses.

The FRCA includes multiple measures to promote compliance. The act states that unauthorized access to a file or receiving a report under false pretext will result in a criminal offense. Reporting agencies and those using the reports are held liable for any noncompliance as well. The consumer is also entitled to reparations as a result of any damages from any misuse of their information.

Source:

[https://en.wikipedia.org/wiki/Financial\\_privacy\\_laws\\_in\\_the\\_United\\_States#Fair\\_Credit\\_Reporting\\_Act](https://en.wikipedia.org/wiki/Financial_privacy_laws_in_the_United_States#Fair_Credit_Reporting_Act)

From:

<https://www.omgwiki.org/dido/> - **DIDO Wiki**

Permanent link:

[https://www.omgwiki.org/dido/doku.php?id=dido:public:ra:xapend:xapend.a\\_glossary:fcra](https://www.omgwiki.org/dido/doku.php?id=dido:public:ra:xapend:xapend.a_glossary:fcra)

Last update: **2022/03/30 19:17**

