

Do-It-Yourself Guide



RE-AGING COLLECTION ACCOUNTS

HOW CAN A COLLECTION COMPANY REPORT A REALLY OLD ACCOUNT?

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What Is a Re-aged Debt?

A re-aged debt or account is a debt that contains altered dates of activity and as such no longer adheres to the fair credit reporting act guidelines.

The reporting period is regulated by Section 605 of the [Fair Credit Reporting Act](#). Each debt has an established time period that it may appear on a consumer's credit report before disappearing forever. The date is dictated by the date of last activity, which is the date the debt first went delinquent plus 180 days.

The date of last activity is reported within a creditor trade line to allow the consumer to see exactly how much time is left before a bad debt can no longer be reported. When an old debt is re-aged, however, the date of last activity is altered by the creditor. This results in the trade line remaining within a consumer's credit history for much longer than the allotted period.

What Causes a Debt to Be Re-aged?

In many cases, collection agencies and debt collectors do not acquire accurate information about a consumer. In these cases, the date of last activity may be set for whenever the account is acquired. Individuals should not automatically assume that all re-aged debts are due to a collection agency attempting to skirt FCRA law. In many cases, the information is missing or the re-aging of the debt is a genuine mistake on the part of the debt collector.

Intentional Debt Re-aging

In some cases, however, collection agencies will intentionally re-age a debt. This is evidenced by [Batey v. Anderson, Crenshaw & Associates](#). One of the many claims Denise Bailey made against the collection agency was re-aging of the original debt, which was no longer within the Federal reporting period. Some of the reasons a debt collector may re-age a debt are:

- Consumer cannot be found or contacted. Debt is re-aged to remain on the credit report in the hopes that this will make the consumer aware of the debt and he or she will then pay.

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Intentional Debt Re-aging (Cont.)

- The longer a debt appears on a credit report, the more likely an individual is to attempt to apply for a mortgage loan during that period. Mortgage lenders commonly require
- Collection agency may hope that the consumer will pay the debt out of frustration in order to make it disappear (it doesn't).
- To confuse the consumer as to the accurate debt collection statute of limitations. This may make a default judgment easier to obtain in court.

Unfortunately for consumers, intentional debt re-aging may be difficult to prove in court.

How to Have a Re-aged Debt Removed From a Credit File

If you have maintained original records of the debt's delinquency, this makes for excellent backup documentation.

1. Locate any original documentation of the debt from the original creditor you possess. If you possess old copies of credit reports, this is an excellent source for the information.
2. Examine your current credit reports. Look for the original creditor. If the original creditor no longer appears, this means that the reporting period for the original account has likely expired and all evidence of the debt should subsequently be removed.
3. Write a letter to each credit bureau that is reporting the debt requesting the incident be investigated. Include any backup documentation of the claim including:
 - Lack of original creditor within credit file
 - Old credit card statements of delinquency
 - Previous copies of credit reports showing the legitimate date of last activity for the debt
 - Wait. The credit bureau has 30 days to investigate the validity of each consumer claim. If the information cannot be verified by the collection agency reporting the debt, it will be removed.

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What to Do if a Credit Bureau Will Not Remove the Debt

Consumers have several steps when inaccurate information is being reported to their credit reports and the creditor reporting the inaccuracy along with the credit bureaus fails to remove or correct it.

1. File a complaint with the state Attorney General (consumers cannot sue credit bureaus, but an Attorney General can).
2. File a formal complaint with the Federal Trade Commission.
3. Take Legal Action:
 - A. Attorney Demand letter—Have a letter drafted from an attorney to the creditor / collection agency with supporting documentation pointing out the violation of the Fair Credit Reporting Act. (Improve My Credit USA recommends Legal Shield as a great affordable option for legal services. You can find information on the IMC USA Home page about Legal Shield under “Protect.”)
 - B. File a lawsuit against the collection agency. Often, a collection agency would rather remove inaccurate information than fight a losing battle in court.