



**House
Legislative
Analysis
Section**

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SUPPORT ARREARAGES: CREDIT REPORTS

House Bill 5081

Sponsor: Rep. Thomas G. Power

Committee: Judiciary

MAY 16 1990

Complete to 4-9-90

A SUMMARY OF HOUSE BILL 5081 AS INTRODUCED 9-25-89

The bill would amend the Friend of the Court Act to revise the procedures under which the friend of the court (FOC) makes information on support arrearages available to consumer reporting agencies. At present, the law says that the FOC, upon a request from a consumer reporting agency, must make available information on the amount of a payer's overdue support if payment is four or more weeks overdue, and if arrearages total \$1,000 or more. Under the bill, information would be provided concerning all payers (rather than a payer named by the credit reporting agency) who were at least one month in arrears or at least \$1,000 in arrears (rather than both one month and \$1,000). Thereafter, information would be made available on a monthly basis.

Current provisions for notice and an opportunity for hearing would be replaced. The FOC would notify the payer of the following: the proposed reporting of the arrearage information, the amount of arrearage, the payer's right to a review on certain grounds, the ability to avoid the reporting by paying the entire arrearage within 21 days, and the fact that if the payer is reported, support information will continue to be provided to the consumer reporting agency until the arrearage falls and remains below the threshold amount for two years.

A payer could object to the reporting of support information only on the grounds of a mistake of fact concerning the amount of the arrearage or the identity of the payer. Review would have to be requested within 14 days after the notice was sent, or after the payer had been denied credit by a lender due in part to the reporting of the support information.

The FOC would not report the support information if the payer paid the entire arrearage within 21 days after the date the notice was sent, or until after any review was held. In the latter case, the payer could avoid the reporting by paying the entire arrearage within two working days after the review. The FOC would discontinue the reporting of support information and request that information previously reported be deleted when a payer's support arrearage remained below the threshold level for two years. A consumer reporting agency would have to comply with that request for deletion.

The state court administrative office would be responsible for determining what support information should be provided to a consumer reporting agency and establishing the policies and procedures for making support information available to a consumer reporting agency.

Upon request of a consumer reporting agency, the FOC would make available current support information of an individual payer whose case is being reported to the consumer reporting agency.

The bill would delete language prohibiting a consumer reporting agency from releasing FOC-provided information after two years.

MCL 552.12