

# The FCRA Mandatory Limitations on Reporting by a CRA to an Employer

Portions of the Fair Credit Reporting Act (FCRA) 15 U.S.C. §1681 et seq, enacted in 1970, restricts the reporting of information contained in public record. See §605.

## The Limitations

The following items cannot be reported by a CRA on a consumer report EXCEPT, if for employment, these restrictions do not apply to where the annual salary of the applicant for employment may be expected to meet or exceed \$75,000 per year. This exception is often noted in the State Rules Register as the “salary cap” exception.

- Civil suits, civil judgments and records of arrest that from the date of entry precede the report by more than 7 years or until the governing statute of limitations have expired, whichever is longer.

**Note:** Prior to 1998 this provision also restricted the reporting of criminal convictions, however that restriction was eliminated in 1998 – retroactive to 1996, and the FCRA currently allows convictions to be reported without limitation.

- Bankruptcies can be reported for only 10 years
- Tax liens can be reported for only 7 years
- Accounts placed for collection can be reported for only 7 years
- Other adverse information can be reported for only 7 years.

**Note:** General or neutral information such as prior employment or college degrees are not “adverse information” even if the report discloses that the consumer has lied about their education, prior employment, etc. FTC Letter Nadell, (December 10, 1998).