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Quick Facts: Credit Reporting

This Quick Facts guide provides information about enforcing child support orders through the Credit Reporting Program

The Child Support Program[1] is a successful federal-state-tribal partnership that seeks to promote economic stability for children whose parents live apart. It serves one in five children nationwide[2] and collects $5.12 for every $1 in public funds invested. In FY 2018, $34 billion was collected in 13.9 million cases for 14.7 million children.[3]

Title IV-D of the Social Security Act requires "states to report periodically to consumer reporting agencies . . . the name of any noncustodial parent who is delinquent in the payment of child support and the amount of overdue support owed by such parent."[4] Prior to reporting this information to the credit reporting agencies, states must ensure that such parents have been afforded all due process required under state law, including notice and a reasonable opportunity to contest the accuracy of such information. States reporting information to the credit reporting agencies must also comply with the federal Fair Credit Reporting Act, which imposes certain responsibilities on those furnishing data to the agencies and provides specific rights to individuals whose data is reported. These requirements ensure the accuracy and integrity of the data on child support delinquencies that is included in credit reporting.

Most states report to all the major credit reporting agencies. The purpose of reporting a parent owing support to credit reporting agencies is to give lenders an accurate picture of the total amount of the parent's debt, including child support. The goal of the program is to encourage parents owing child support to keep current with their child support obligations and to make payments towards arrears to avoid an unfavorable entry on their credit report and an unfavorable credit rating. If an account is reported as past due and the parent brings his or her child support obligation current, it improves the parent's credit rating.

The credit reporting program has been effective in stimulating more reliable and consistent child support payments for children. When a parent who owes support attempts to get a loan for a house or some other significant purchase, she or he usually will need to address the child support arrears to qualify for the loan. Sometimes, parents owing child support roll their entire child support debt into a new loan, which results in lump-sum payments to families in need. The Credit Reporting Program is a highly successful partnership between child support agencies and credit reporting agencies in helping to get support to children.

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[1] Title IV, Part D of the Social Security Act (42 U.S.C. 651, *et seq.*).

[2] https://www.acf.hhs.gov/sites/default/files/programs/css/2018_infographic_national.pdf

[3] https://www.acf.hhs.gov/css/resource/fy-2018-preliminary-data-report

[4] 42 U.S.C. 666(a)(7).

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