



## TIMING IS EVERYTHING

### Credit Time Clock

#### The Statute of Limitations for Credit Reporting

The Statute of Limitations is simply a set period of time for bringing certain kinds of legal action.

There are two different types of Statutes of Limitations:

1) Debt Collection and 2) Credit Reporting.

For now let's focus on the Credit Reporting side. The FCRA has determined how long items remain on credit reports and when they must be removed. It's a belief that everything on credit reports have a 7-year lifespan, but this is actually false. In some situations, the Statute of Limitations can be shorter, or longer, or they can even allow items to remain INDEFINITELY.

#### HOW IT WORKS

The Credit Bureaus keep personal credit history for each item, based on the date of the FIRST DELINQUENCY - the day that you officially STOPPED paying.

#### CREDIT TIME CLOCK - HOW LONG ITEMS STAY ON CREDIT REPORTS

- **FORECLOSURES:** 7 years after the date of First Delinquency.
- **CHARGE-OFFS:** 7 years and 180 days after the date of First Delinquency.
- **COLLECTION ACCOUNTS:** 7 years and 180 days after the date of First Delinquency on the **original account**.
- **CHAPTER 7 BANKRUPTCIES:** 10 years after the **filing date**.
- **HARD CREDIT INQUIRIES:** 2 years after the inquiry was authorized.
- **PRIVATE DEFAULTED STUDENT LOANS:** 7 years after the date of First Delinquency.
- **FEDERAL DEFAULTED STUDENT LOANS:** 7 years after the date of First Delinquency OR until the loan is brought current. (Perkins loans remain until they're paid in full.)

### Statute of Limitations:

There are both **FEDERAL** and **STATE** levels of Statutes of Limitations

There are two different types of Statutes of Limitations:  
**Debt Collection** and **Credit Reporting**

It's possible that a credit card company may file a suit in any of these state jurisdictions:

1. The state the credit card company was based in.
2. The state you lived in when you opened the credit card.
3. The state you live in now.

