

Frequently Asked Questions and Answers

47. Question: How should accounts that have been sold to another company be reported?

Answer: Prior to reporting accounts that have been sold to another company, it is imperative that the data representative at each consumer reporting agency be contacted to discuss the various options and to facilitate a smooth transition. There are two options for reporting accounts that are sold to another company.

1. If the company that purchased the accounts will not report the prior history, the seller must report the accounts as sold to reflect the final status.

Report the following Base and K2 Segment fields as specified:

- Scheduled Monthly Payment Amount = zero
- Account Status Code = the appropriate code that specifies the status of the account at the time of the sale
- Payment Rating = if applicable to the Account Status Code being reported
- Special Comment = AH (Purchased by another company)
- Current Balance and Amount Past Due = zero
- Date of Account Information = date the account was sold
Note: Reporting the account as sold is considered a final disposition for credit reporting purposes. However, if the account is reported in subsequent reporting periods, freeze the Date of Account Information as of the date the account was sold.
- FCRA Compliance/Date of First Delinquency = If the account is delinquent or derogatory at the time of sale, report the date of the first 30-day delinquency that led to the status being reported. If the account being sold is current and included in bankruptcy, report the date of the bankruptcy petition or notification.
- Date Closed = date the account was sold to the other company. If the account was closed prior to being sold, report the original date the account was closed.
- Consumer Information Indicator = report bankruptcy indicator when applicable to the consumer(s)
- K2 Segment Purchased From/Sold To Indicator = 2 and Sold To Name = name of company to which the account was sold

Notes: To minimize consumer disputes, do not report accounts as sold that were previously reported as paid in full.

Additionally, if the account is delinquent or derogatory, it is imperative that you provide the date of the first delinquency that led to the account being sold **to the debt purchaser**.

2. If the company that purchased the accounts is converting the account history to their system, the seller should **not** report the accounts as sold. In this situation, the seller and purchaser should work together with the data representatives at the consumer reporting agencies, who will assist you with conversion of the accounts.