

Frequently Asked Questions and Answers

48. Question: How should accounts that have been purchased from another company be reported?

Answer: Prior to reporting portfolio acquisitions, it is imperative that the data rep at each consumer reporting agency be contacted to discuss the various reporting options and to facilitate a smooth transition. Two possible options for reporting are:

1. If the lender who sold the accounts reported them as “purchased by another company” or the history cannot be verified for the account prior to purchase, report the following Base and K2 Segment fields as specified:

- Consumer Account Number = newly assigned account number
- Date Opened = date opened with the previous lender (**preferred**).
Note: If the date opened with the previous lender is not known, the date the account was purchased may be reported.
- Account Status Code = appropriate code that specifies the status of the account as of the Date of Account Information
- Payment Rating = if applicable to the Account Status Code being reported
- Payment History Profile = report character **B** for months when account was owned by the previous lender
- Date of Account Information = follow the standard guidelines documented in Field 24
Note: Reporting by the purchaser should begin in the following month’s reporting period – **after** the seller reported the accounts as sold.
- FCRA Compliance/Date of First Delinquency = If the account is delinquent or derogatory at the time of purchase, report the date of the first 30-day delinquency **with the previous lender** that led to the status being reported. If the account is current and included in bankruptcy, report the date of the bankruptcy petition or notification.

Note: If the new lender is unable to obtain the **Date of First Delinquency with the original lender**, do not report the account.

- Consumer Information Indicator = report bankruptcy indicator when applicable to the consumer(s)
- K2 Segment Purchased From/Sold To Indicator = **1** and Purchased From Name = name of the company from which the account was purchased

Important Notes: Payment history that occurred with the previous lender, which is already on the consumer’s file, must not be reported by the new lender.

Do not report purchased accounts that were included in discharged/completed Bankruptcies.

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FAQ 48 (continued)

2. If the previous lender's account history is being converted to the new lender's system and the account history can be verified, report the following Base, K2 Segment and L1 Segment fields as specified:

- Base Segment Identification Number = Identification Number reported by the previous lender
- Base Segment Consumer Account Number = Account Number reported by the previous lender
- Date Opened = date opened with the previous lender
- Account Status Code = appropriate code that specifies the status of the account as of the Date of Account Information
- Payment Rating = if applicable to the Account Status Code being reported
- Payment History Profile = report payment history provided by the previous lender
- Date of Account Information = follow the standard guidelines documented in Field 24
Note: Reporting by the purchaser should begin in the following month's reporting period.
- FCRA Compliance/Date of First Delinquency = If the account is delinquent or derogatory at the time of purchase, report the date of the first 30-day delinquency **with the previous lender** that led to the status being reported. If the account is current and included in bankruptcy, report the date of the bankruptcy petition or notification.

Note: If the new lender is unable to obtain the **Date of First Delinquency with the original lender**, do not report the account.

- Consumer Information Indicator = report bankruptcy indicator when applicable to the consumer(s)
- K2 Segment Purchased From/Sold To Indicator = **1** and Purchased From Name = name of the company from which the account was purchased
- L1 Segment Change Indicator = **3**, New Consumer Account Number = new account number assigned by the new lender, and New Identification Number = internal code that specifies where information will be verified by the new lender

Note: Do not report purchased accounts that were included in discharged/completed Bankruptcies.