

House Bill 4892
Sponsor: Rep. Thomas G. Power
Committee: Judiciary

Complete to 6-5-92

A SUMMARY OF HOUSE BILL 4892 AS INTRODUCED 5-30-91

The bill would amend the Friend of the Court Act to revise the procedures under which the friend of the court (FOC) reports child support arrearages to consumer reporting agencies (credit bureaus). At present, the law says that the FOC, upon a request from a credit bureau, must provide information on the amount of a payer's overdue support if payment is four or more weeks overdue, and if arrearages total \$1,000 or more. Under the bill, information would be provided concerning all payers (rather than a payer named by a credit bureau) who were either one month or \$1,000 in arrears (rather than both one month and \$1,000). Thereafter, support information would be reported monthly until the payer's support arrearage had remained below the threshold level for two years. At that point, the FOC would request that the credit bureau delete the support information on the payer, and the credit bureau would have to promptly do so. The bill would delete language prohibiting a credit bureau from releasing FOC-provided information after two years.

Notice and hearing. As with current law, reports to a credit bureau could commence only after a payer had been given the opportunity for a hearing; current provisions for notice and hearing would be replaced with more detailed ones. The FOC would notify the payer of the following: the proposed reporting of the arrearage information, the amount of arrearage, the payer's right to review on certain grounds, the ability to avoid the reporting by paying the entire arrearage within 21 days, and the fact that if the payer is reported, support information would continue to be provided to the credit bureau until the arrearage fell and remained below the threshold amount for two years.

A payer could object to the reporting of support information only on the grounds of a mistake of fact concerning the amount of arrearage or the identity of the payer. Review would have to be requested within 14 days after the notice was sent, or within 30 days after the payer notified the FOC that he or she had been denied credit at least partly because of information reported by the FOC to a credit bureau.

Avoidance of credit report. The FOC would not report support information if the payer paid the entire arrearage within 21 days after the date the notice was sent, or until after any review was held. In the latter case, the payer could avoid the reporting by paying the entire arrearage within two working days after the review. As noted above, reporting would be discontinued and previously reported information deleted if the payer's support arrearage remained below the threshold level for two years.

Report procedures, details. The state court administrative office would be responsible for determining what support information should be provided to a consumer reporting agency and establishing the policies and procedures for making support information available to a credit bureau. Upon the request of a credit bureau, the FOC would make available current support information on an individual payer whose case is being reported to the credit bureau.

MCL 552.12