

What is a credit report and why do you make it?

A credit report is a document we send to a credit reporting agency whenever a payor is more than \$2,000.00 behind in maintenance payments.

The credit report is automatic, and applies to any payor – even a payor who has been making regular arrear payments – who is more than \$2,000.00 in arrears.

We make a credit report because maintenance is a debt that – just like credit card charges, a car loan or a mortgage – must be paid.

Potential lenders need to know all the debts that a payor may owe, so that the lender can decide whether the payor will be able to pay back any additional loans or charges.

How does a credit reporting agency work?

Credit reporting agencies (also known as credit bureaus) maintain detailed credit history information, using records supplied by financial institutions, credit card companies and stores that issue their own credit cards.

When someone applies for a new credit card, a bank loan, mortgage or line of credit, the company will call a credit reporting agency to check out that person's credit history – to find out the person's current debt load and whether or not the person

has ever defaulted on a payment in the past. The information contained in the credit history may make it difficult for the person to get a credit card, bank loan or mortgage.

Other people, such as potential employers or landlords, may also want to know a person's credit history (as an indication of reliability), and may ask for permission to check his or her credit rating with a credit reporting agency.

When will you make the credit report?

We will report a payor to a credit bureau when the payor has been enrolled with the FMEP for 90 days or more, and owes \$2,000.00 or more in arrears. The report will include the payor's name, date of birth, address, social insurance number and the amount of arrears.

Once it receives a credit report, the credit reporting agency will inform potential credit grantors – and

anyone else authorized to ask about the payor's credit history – of the amount the payor owes in arrears.

We will send monthly updates to the credit reporting agency showing the current amount of arrears. As the arrears are paid, the updates will show the balance going down.

Will the payor have an opportunity to pay off the arrears, before a report is made?

Yes. We will send the payor a notice offering the payor a grace period of one month. If the payor brings the arrears to less than \$2,000.00 within

that one month period, we will not file the report.

How long will the report stay on file?

The report will remain part of the payor's credit history – even after the arrears drop below \$2,000.00 – until:

- the payor has paid off the arrears and kept payments up-to-date for six years, or

Can the payor question or explain the credit report?

If the payor believes he or she was less than \$2,000.00 in arrears at the time we first made the credit report, the payor may ask us to review the account. If we discover the arrears were in fact less than \$2,000.00 (the payor made a payment directly to the recipient, for example, that we did not know about), we will advise the credit reporting agency to erase the report.

The payor may also choose to file a statement with the credit reporting agency (maximum 100 words) explaining the debt. The agency will provide this statement with the rest of the payor's credit history.

Note to Payors:

You can order a summary of your maintenance payments and current account balance. You can also view a summary on-line by visiting our website. You can ask us to mail or fax it to you or to your bank or other financial institution, to provide an up-to-date look at your account status.

How can I get more information about the credit report?

For pre-recorded, general information about the credit report and a variety of other subjects, please call the FMEP Infoline:

Greater Vancouver: 604-775-0796

Greater Victoria: 250-356-5995

Elsewhere in BC: 1-800-668-3637

For more specific information about your case, please call an Enquiry Representative at one of our FMEP Regional Offices:

Greater Vancouver: 604-678-5670 or toll-free 1-800-663-9666

Greater Victoria: 250-220-4040 or toll-free 1-800-663-3455

Northern and Interior BC: 250-434-6020 or toll-free 1-800-663-3933

For information about your case, visit our website, www.fmep.gov.bc.ca

For information about family justice issues and services, visit www.ag.gov.bc.ca/family-justice

- the court order or agreement for maintenance payments is withdrawn from the FMEP. (The credit report will, however, remain on the payor's credit file for six years. We will file a second credit report, showing the payor's current state of arrears, if the case is re-enrolled.)

Maintenance Tips for Payors

- You can send payments to us through On-line Banking, Telephone Banking or ABM Banking, instead of mailing payments. Please contact your regional office for details on how to set up this payment option.
- If you mail your payments be sure to allow enough time for them to arrive by the due date. (You may want to consider post-dated cheques.)
- Send your cheque or money order - made out to the recipient - to us at our Victoria office:
FMEP Payment Services
Box 5599
Victoria, BC V8R 6T7
- Always include your FMEP case number on your payment.
- Do not pay the recipient directly. You are required by law to send all payments to the FMEP.
- We cannot change your court order or agreement. If you are having trouble making your scheduled maintenance payments, you may need to obtain a new court order or agreement. In the meantime, however, we are required to make sure you pay the maintenance you owe now.
- If you have fallen behind in your payments, please contact us. We will work with you to develop a plan for paying the arrears in addition to making your regular maintenance payments.