MILES APART:

Fair Credit Reporting Act (FCRA) & Fair Debt Collections Practices Act (FDCPA)

Which Regulation Impacts HOA Assessment Payment Credit Reporting?

SPERLONGA℠
Data & Analytics

Comingling FCRA with FDCPA is like trying to combine federal regulations on **how to fly a plane** & **how to invent a new drug**.

Simply because the two laws have the words “Fair” and “Act” in common does not mean they go together. *These two regulations cover entirely different business practices and industries.*

≠

Flying a plane is regulated by the **Federal Aviation Administration** (FAA). Every pilot must file a flight plan in order to fly a plane.

Formulating a drug is regulated by the **Federal Drug Administration** (FDA). Every new drug must complete a series of trials.

WHICH ONE OF THESE REGULATIONS HAS AN IMPACT ON HOA ASSESSMENT PAYMENT CREDIT REPORTING FOR ASSOCIATIONS?

FULL IMPACT: FAIR CREDIT REPORTING ACT (FCRA)	NO IMPACT: FAIR DEBT COLLECTIONS PRACTICES ACT (FDCPA)
Regulates the reporting of consumer debt to credit bureaus	Regulates practices that are used to collect a debt such as methods, treatment, and times of outreach to consumers
Providers of payment data to a credit bureau are defined as data furnishers by FCRA	The practice of providing consumer payment data is not defined by FDCPA as a debt collection practice
Debt collection practices are not regulated by FCRA	Collection agencies and their practices are regulated by FDCPA
Furnishers are not liable for inaccurate reporting under FCRA	FDCPA allows consumers to sue collection agencies
Reporting assessment payments to credit bureaus is not a prohibited activity under FCRA or FDCPA	FDCPA (1) prohibits debt collectors from engaging in abusive, deceptive, or unfair practices; (2) imposes restrictions on debt collectors’ communications with consumers (3) mandates a debt dispute process that includes certain protections for consumers and obligations for collectors