

Frequently Asked Questions and Answers

58. Question: What are the available options for reporting an account affected by a natural or declared disaster?

Answer: Use the following reporting guidelines after it is confirmed that an account is impacted by a natural or declared disaster, based on your internal policies and procedures.

There are two options for reporting **open accounts** – defined as Account Status Code 11 (Current account) or 71, 78, 80, 82, 83 or 84 (Delinquent accounts) – and **closed accounts with balances owing** - reported with the same open Account Status Codes.

1. Report the account as deferred, along with Special Comment **AW** (Affected by natural or declared disaster).

Per FAQ 44 (How should deferred loans be reported?), report the following Base Segment fields as specified:

- Terms Duration = blank
- Terms Frequency = D (Deferred)
Required for deferred accounts
- Highest Credit or Original Loan Amount = the total amount borrowed
- Scheduled Monthly Payment Amount = zero
- Account Status Code = 11 (Current account)
- Payment History Profile = Use Character **D** for the months where payments are deferred.
- Current Balance = outstanding balance amount
- Amount Past Due = zero

If the Deferred Payment Start Date is known, report the K4 Segment with Specialized Payment Indicator **02** for Deferred Payment. Also, report the **Deferred Payment Start Date** as the date the first payment will be due. If the deferred payment start date is not known, do not report the K4 Segment.

Additionally, if the consumer was delinquent going into the deferment period, the two fields below must be considered when the consumer comes out of deferment and begins repayment.

- Account Status Code = appropriate code that specifies the status of the account when the account comes out of deferment
- Date of First Delinquency = if the Account Status is delinquent, the original date that led to the Account Status being reported prior to the deferment

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2. Report the Account Status **that applies to the account** (credit grantor's decision). Report Special Comment **AW** (Affected by natural or declared disaster).

Derogatory Accounts – defined as Account Status Codes 88 (Government Claim), 89 (Deed in Lieu), 93 (Collection), 94 (Foreclosure Completed), 95 (Voluntary Surrender), 96 (Repossession), and 97 (Charge-off).

Continue reporting these statuses and add Special Comment **AW** (Affected by natural or declared disaster).

Debt Buyers and Collection Agencies

Continue reporting Account Status Code 93 (Collection) and add Special Comment **AW** (Affected by natural or declared disaster).

If accounts are sold to another company or given back to the original creditor, report Account Status Code **DA** to delete the accounts.