



Credit Report Changes Coming July 1

Multiple changes to the way that information appears on your credit report will take effect on July 1. Many of these changes are designed to benefit consumers and others serve as good prompts to be aware of how you are making your purchases.

Buy Now, Pay Later to appear on credit reports

Many online retailers have begun offering shoppers the option of paying for their purchases in installments rather than all at once at checkout. This option has proven attractive to some consumers because it comes without the finance charges that are levied by credit cards.

- Starting July 1 this buy now, pay later (BNPL) activity will begin showing up on credit reports and could impact your credit score because these BNPL accounts are considered short-term loans.
- Even if you pay off your BNPL on time your score could go down because the average age of your overall credit history could decrease. Each time you take on a new credit obligation, that lowers the average age of your credit history.

Most medical debt coming off credit reports

Three major changes that impact how medical debt appears on credit reports are coming soon.

1. Beginning July 1, medical debts that were sent to collections and later paid off will no longer appear on credit reports.
2. Also as of July 1, consumers will have one year to resolve billing or insurance issues before unpaid medical debts show up on their credit reports. Currently the period is six months.
3. Starting in 2023, the credit bureaus will not report medical debt under \$500.

These measures will lead to the removal of 70% of medical collection debt from consumers' credit reports, providing some respite for the millions of people carrying more than \$88 billion in medical debt.

Staying on top of what's in your credit report can help you spot errors and possible instances of identity theft. To receive reminders to check your report three times/year, head to our Check Your Free Credit Report site: <https://finances.extension.wisc.edu/programs/check-your-free-credit-report-campaign/>.

Free credit reports available weekly through Dec. 31, 2022

During the pandemic, the three major credit bureaus (Equifax, Experian, and TransUnion) switched from each providing a free copy of a consumer's credit report once every year to **once each week**. This temporary measure was set to expire in April 2022 but has been extended through the end of the year, to December 31.

The quickest way to access your report is via the site www.annualcreditreport.com. You'll use a secure site to complete a short form and request your report from one, two, or all three of the credit bureaus. By choosing the online option you can get your report right away.

Other ways to get your report are by phone:

1-877-322-8228

or by mail:

Annual Credit Report Request Service

P.O. Box 105281

Atlanta, GA 30348-5281

If requesting by mail you'll need to print a request form that you can find at the above site, fill it out, and mail it to the above address.

