

# FAMILY SUPPORT ORDERS SERVICE (FSOS)

## How Unpaid Support Obligations May Affect Your Credit Report



Public Legal Education  
and Information Service  
of New Brunswick

The **Family Support Orders Service (FSOS)** is a part of the New Brunswick Department of Justice and Consumer Affairs. Its goal is to promote a dependable flow of support payments. FSOS focuses on helping parents support their children. FSOS monitors and enforces support orders and agreements filed with the service by:

- ▶ receiving payments from the **Payer** (the person paying the support);
- ▶ keeping records of payments that are made;
- ▶ forwarding the payment to the **Beneficiary** (the person receiving the support);
- ▶ taking steps (when necessary) to ensure the Payer makes the required payments.

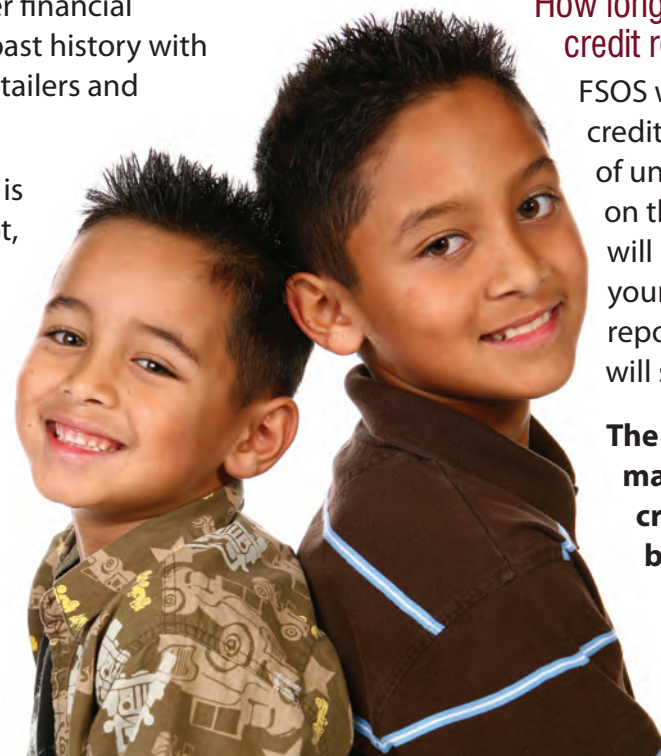
### What is a Credit Report?

A credit report is a "snapshot" of an individual's credit history. It contains information about your past and present financial situation. These reports are one of the main tools lenders use to determine whether or not to lend you money or give you credit.

A credit report is created by credit reporting agencies, also known as credit bureaus. These agencies gather financial information about your current accounts and past history with banks, credit unions, finance companies and retailers and compile this information into a credit report.

Credit reports include a numerical score which is based on such things as total debt, type of debt, late payments and the age of the accounts. If you have a poor credit score you could find it more difficult to:

- ▶ borrow money – you may have to pay a higher interest rate
- ▶ get insurance – your rates may be higher
- ▶ rent an apartment
- ▶ find certain types of employment



### Under what circumstances will FSOS report a payer to a credit reporting agency?

The *Support Enforcement Act (SEA)* allows FSOS to report your debt to credit reporting agencies if the order has been filed with FSOS for more than 90 days **and** you owe an amount of support that is greater than three months of payments. In these circumstances, you will receive a notice giving you **30 days** to pay the full amount or make payment arrangements with FSOS to avoid having your information sent to credit bureaus. FSOS will add a fee of \$50 to your account when the notice is sent.

FSOS **will not** extend the 30 day grace period. If your debt is not paid by then, or you have not come to an agreement with FSOS, they will automatically report your information to two of Canada's credit reporting agencies; Equifax and TransUnion. When these agencies receive information about your debt they will add the details to your credit report and adjust your credit score to reflect your failure to pay.

### How long will the information stay on my credit report?

FSOS will send monthly updates to the credit reporting agency about the amount of unpaid support. As you make payments on the amount owed, your credit report will reflect your decreasing debt. When your account is paid in full your credit report will show a \$0 balance and FSOS will stop sending monthly updates.

**The information about your failure to make payments will remain on your credit report for 6 years after it has been paid in full.**



### What can I do if I feel there are errors on my credit report?

If you believe the information on your credit report is inaccurate, or you wish to add an explanation of your credit history for potential lenders and employers, you can contact the credit reporting agencies to ask about correcting information or adding a brief statement to your report.

### What can I do if I believe FSOS sent inaccurate information to a credit reporting agency?

If you have a dispute about your account balance, contact your Enforcement Officer at FSOS to discuss the details of your account. If you are still not satisfied, you should seek legal advice.

### For information about your support payments 7 days a week contact:

FSOS 24 hour Toll-Free Infoline

**1-888-488-FSOS (3767)**

Fredericton clients can call

**444-FSOS (3767)**

Clients who live outside New Brunswick can call long distance:

**1-506-444-FSOS (3767)\***

\*Long distance charges will apply.

This pamphlet was produced by **Public Legal Education and Information Service of New Brunswick (PLEIS-NB)** in collaboration with **Program Support Services, New Brunswick Department of Justice and Consumer Affairs**. It does not contain a complete statement of the law in this area and laws change from time to time. This pamphlet is part of a series of publications that provide general information on the support enforcement system in New Brunswick, the rights and responsibilities of payers and beneficiaries, and the tools available to the Family Support Orders Service to enforce support.

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