

## Vermont Legislative Research Service

<https://www.uvm.edu/cas/polisci/vermontlegislativeresearchservice/lrs>

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#### Issues with The Statute of Limitations on Debt in the State of Vermont

<sup>1</sup> After a debt reaches the prescribed statute of limitations, the debt is supposed to be removed from the debtor's credit score to reflect that the debt is no longer outstanding. In the United States, state governments have legal authority to decide how long the statute of limitations is, and many states specify different statutes of limitations for different types of debt.

## Vermont in Comparison to Other States

In comparison with Vermont, New Hampshire only defines statutes of limitation on two of the four previously mentioned categories, and the state defines the statute of limitations for written contract and judgement law as 20 years, each. Massachusetts has a six-year statute of limitations on oral contracts, collection of debt on accounts, and judgements, though the statute of limitations on written contracts in Massachusetts ranges from six to twenty years.<sup>4</sup> New York State poses a six-year statute of limitations on written contracts, oral contracts, and collection of debt on accounts from the date of default.<sup>5</sup>

### Issues with Statute of Limitations as a tool to Improve Credit Scores

Credit Reporting Time Limit (FCRA)

There is significant inquiry into whether shortening the statute of limitations on debt

