

Disputing Inaccurate Information in a Credit Report

WARNING: This paper is for educational purposes only. It is intended as a general discussion of the subject matter and describes generally-accepted guidelines. It is not legal advice and no competent attorney could give legal advice without a thorough understanding of all information regarding your particular situation.

After obtaining your credit report, you should review each piece of information for accuracy. Obtain your free annual credit report from www.annualcreditreport.com, where there are instructions to order the report online, by telephone, or by mail.

To promote accuracy in credit reports, the federal Fair Credit Reporting Act (“FCRA” or “Act”) permits consumers to dispute inaccurate information in their credit file. We do *not* recommend that a lawyer who may represent you in a future lawsuit to enforce your rights under the FCRA prepare the dispute letter. Instead, we generally recommend that the consumer should prepare and send his or her own dispute letter.

Preliminarily, two definitions are important.

- The “agency” or “CRA” is the credit reporting agency which possesses the data about you in a credit file and issues credit reports. The “Big Three” are Equifax, Experian, and TransUnion.
- The “furnisher” is the entity which provides information to the CRA, such as the bank which issued a credit card.

The Act requires that the dispute be addressed to the CRA because the focus of the Act is on the accuracy of the report. As part of the CRA’s investigation of the dispute, it must send relevant information to the furnisher, and the furnisher must investigate and report back to the CRA. If there is a need for a lawsuit against the CRA, a claim may be that the CRA failed to provide sufficient information to the furnisher. If you send a copy to your FCRA dispute letter to the furnisher, then the CRA may be able to argue that its failure was inconsequential. Therefore, we generally do not recommend sending a copy of the dispute letter to the furnisher. (The Federal Trade Commission, however, currently recommends sending the furnisher a copy.)

Within 5 business days after receiving the dispute, the CRA can determine whether the dispute is frivolous or irrelevant or whether the letter fails to provide sufficient information to investigate the disputed information and notify you if that is its conclusion. If not, within 5 business days, it must provide the furnisher with all relevant information. Then, within 30 days after the dispute letter is received, the CRA must consider all relevant information and correct or delete any information found to be incorrect or which cannot be verified. Under certain circumstances the 30 day period can be extended an additional 15 days. Also, within 5 business days after concluding the investigation, the CRA must send you notice of the results.

The reality is that you may not get any response and may need to dispute the same information repeatedly.

Our recommendations for dispute letters are that the letter be as complete and detailed as possible but not overstate the truth. We suggest the following as guidelines for a dispute letter:

1. Provide all identifying information about yourself including (a) your full name and any other names you have used, (b) your address; and (c) your Social Security Number.
2. Include all identify information about the account which you are disputing. If there are multiple entries for the same account, be sure to explain this. (This can happen, for example, when an account is charged off and the furnisher assigns a new post-charge-off account number resulting in two numbers for one account.) Consider enclosing a copy of the page from your report with the disputed item circled.
3. Give as much detail as you can about why the information is inaccurate.
4. Explain how the inaccurate information is impacting you.
5. Describe all prior efforts to have the information corrected including dates of telephone calls and who you spoke with, as well as attaching any prior correspondence with the CRA and furnisher. If applicable, include prior efforts to resolve this with the furnisher and, if there was a particular employee of the furnisher you want the information to be sent to, request that the CRA do so and provide as much identifying information about the employee as you can.
6. If you have previously disputed the same information and it has not been corrected, consider requesting a manual investigation pointing out that the previous automated investigation failed to correct the information.
7. Be specific about what you want the CRA to do.
8. Enclose copies (not originals) of all documents which support the information in your letter and describe what you have enclosed in the letter.

Keep a copy of the letter and the enclosures. Also, retain all other records including notes of telephone calls with the CRA and the furnisher and, if you can, obtain your telephone records which corroborate dates and times of calls.

Send the letter to the address given in the credit report for sending disputes. Send by certified mail, return receipt requested.

We do not recommend using the CRA's online dispute system because it limits the number of characters for your explanation and does not permit you to send any attachments.

You can send us a copy of your letter and any records you have. We prefer an electronically scanned copy. *Please understand, however, that sending us this information does not create a lawyer-client relationship and we will not represent you unless we have entered into a signed retainer agreement with you.*

[End]