

## **How to properly challenge a debt on your credit report**

### **Step 1- Dispute the debt with both the creditor and the consumer reporting agency (CRA).**

Disputing a debt directly with the creditor may resolve the issue, but it is important that you notify the CRA because it triggers potential liability for both the creditor and CRA if they do not respond properly. The Fair Credit Reporting Act (FCRA) requires the CRA to conduct a reinvestigation when a consumer disputes the accuracy of the information in the credit report and it must also provide the consumer the right to file a statement of dispute after an unsuccessful dispute. If the CRA fails to do either of these, it may be subject to damages and attorney fees.

### **Step 2- Write a simple letter that is specific and precise about your dispute.**

Include in your dispute letter all information necessary to have your dispute investigated and explain what is happening to you as a result of the false credit reporting. Your dispute letter should include:

- your name, social security number, address and date of birth
- the name of the company reporting the inaccurate entry and the account number
- a statement that the account was in error and why you believe the credit report is in error
- the remedy sought; do you want the entire account deleted or just corrected
- notice that you want a statement from the CRA of the manner in which it investigates your dispute and request that they include the name and phone number of anyone contacted in connection with the reinvestigation
- attach relevant documents to your dispute such as a copy of your credit report

### **Step 3- Send the dispute letter(s) in writing, keep copies for your records and send by certified mail with a return receipt requested.**

Many CRAs request that disputes to be submitted online or through a toll free number, but it is better to document your credit dispute on paper. You may need to dispute inaccurate information with all three nationwide CRAs. Current addresses are listed below, but please verify the address before sending in your complaint.

- [Experian](#)- 701 Experian Parkway, Allen, Texas 75013
- [Equifax](#)- P.O. Box 740241, Atlanta, GA 30374.
- [TransUnion](#)- P.O. Box 2000 Chester, PA 19022

### **Step 4- What happens once the CRA and creditor receive my dispute letter?**

When the CRA receives a dispute letter, it must first decide if the dispute has merit. The CRA may then:

- delete the disputed information in an expedited dispute resolution;
- determine that the dispute is frivolous and it must then notify you and give reasons for its determination; or

- forward the dispute to the creditor, within five days, to conduct an investigation
  - If the creditor cannot verify the disputed item or does not respond, the consumer's view prevails and the information must be deleted from future credit reports. The consumer can also require the CRA to notify past viewers of the credit report that there has been a correction.

If the consumer disputes a debt after requesting a free annual credit report, the CRA has 45 days to complete an investigation, otherwise the CRA has 30 days. You should send a follow-up letter along with a copy of the original dispute letter if you do not hear back within 30-45 days. Additionally, when a creditor receives a consumer dispute, the creditor must include notice that the consumer disputes the information when furnishing information on that debt to a CRA. The CRA must note the consumer's dispute in any report that includes information furnished to the creditor.

### **Step 5- What happens if my dispute is not resolved?**

If a reinvestigation does not resolve a dispute, the consumer may file a statement of dispute, which will require the CRA to clearly note on all future credit reports that the consumer disputes the information. Though this does little to solve the problem, it at least allows those accessing your credit report to know that you contest the debt.

Lastly, a consumer may seek litigation in a private action for willful or negligent non-compliance with the FCRA. While the FCRA establishes minimum standards for creditors providing information to CRAs, a consumer cannot bring suit against the creditor to enforce the provisions. FCRA liability for creditors comes from CRA reinvestigations. To recover damages from an FCRA violation, the consumer must show that the noncompliance was negligent. Some courts have however held that CRAs are not liable for reinvestigation claims in cases in which an underlying legal issue with the creditor has not been resolved or has been resolved in the creditors favor. If a legal dispute has been resolved in the consumer's favor, courts have held the CRA is liable.