

Disputes & the FCRA

Section 611 of the Fair Credit Reporting Act (FCRA) details the procedures and rules for disputes.

This is a lay interpretation of this section of the FCRA. Appropriate references to the Act are provided.

- Items underlined are new in the 2003 revision of the FCRA, also known as FACT Act.
- Items in bold are areas where we have found the CRA's to be failing.
- Items in italics are comments to assist consumers.

1. Consumer's may dispute the completeness or accuracy of the information in your credit file. Sec 611(a)(1)(A).
2. Disputes may come directly from the consumer or indirectly through a reseller. Sec 611(a)(1)(A). ***A reseller is a third party that provides credit reports to businesses and consumers - they are not the CRA's themselves. We always recommend caution when dealing with resellers. The CRA's are TransUnion, Experian and Equifax.
3. The CRA has 30 days to conduct a reasonable re-investigate of your dispute. Sec 611(a)(1)(A and B).
4. The CRA is to conduct the re-investigation free of charge. Sec 611(a)(1)(A).
5. The 30 day period begins the date that the CRA receives notice of the dispute. Sec 611(a)(1)(A).
6. An extension of 15 days may occur if you provide them with additional information during the original 30 days. This is the only permissible reason to extend a re-investigation. Sec 611(a)(1)(B and C).
7. Within one week, the CRA must provide notice of the dispute to the furnisher of the information. The notice must include all relevant information the CRA has received. Sec 611(a)(2)(A).
8. All information that the CRA receives during the re-investigation period is to be provided to the furnisher. Sec 611(a)(2)(B).
9. The CRA is to consider all information that is provided by the consumer. Sec 611(a)(4).
10. The CRA has the right to stop a re-investigation if they believe that the dispute is frivolous or irrelevant. Sec 611(a)(3)(A).
11. If the CRA determines the re-investigation is frivolous they must notify you within 5 days. This notice must state the reason why and specify information that is required of you for the dispute to be investigated. Sec 611(a)(3)(B and C).
12. If the item in dispute is found to be inaccurate or incomplete or cannot be verified, the CRA is to promptly delete or correct the information based on their findings. The CRA is also required to notify the furnisher on what was changed on the file. Sec 611(a)(5)(A).
13. If the deleted information is reinserted, the CRA must notify the consumer within one week. The notification must give

the consumer the name, address and other contact information of the furnisher, and give the consumer the right to add a statement to their file regarding the disputed item. Sec 611(a)(5)(B)

14. The CRA is to maintain reasonable procedures to prevent the reappearance of deleted items. Sec 611(a)(5)(C).

15. All national CRA's shall implement and automated system to which furnishers of information may report their results to other national CRA's. Sec 611(a)(5)(D). (Please see our write-up on Disputes and EOscar).

16. Results of a re-investigation is to be sent out by the CRA to the consumer no later than one week after it is finished. Sec 611(a)(6)(A).

17. The consumer notice must notify the consumer of : (i) the fact that the re-investigation is completed; (ii) what revisions occurred as a result of the re-investigation; (iii) their right to request how the investigation was done; and business name, address, and phone number of any furnisher that the CRA contacted regarding the investigation, if reasonable available; (iv) their right to add a statement to their file; (v) their right to request notification of the corrections to businesses that have reviewed their file. Sec 611(a)(6)(B).

18. If requested, the CRA is to provide a description of how the investigation was done within 15 days after receiving the notice. Sec 611(a)(7).

19. If the CRA deletes the disputed item within 3 days of the original dispute, the CRA does not have to: (i) work with the furnisher of the information; (ii) nor comply with step #17 above; (iii) nor comply with step #18 above. However, the CRA does have to (i) provide notice of the deletion to the consumer by phone; (ii) give consumer right to notify businesses that have recently review their file of the corrections; (iii) confirm in writing confirmation of the deletion and provide an updated credit report within one week after making the decision. Sec 611(a)(8)

20. Consumer has the right to add a 100 word statement, explaining the dispute, to their credit file. Sec 611(b).

21. If the consumer chooses to add a statement to their file, all future credit reports must show clearly show the statement,

unless CRA found the dispute to be frivolous or irrelevant. Sec 611(c).

22. Consumer has the right to request that the CRA's notify individuals of the changes that have occurred to their file. These people are limited to (i) any person that has seen their credit file within the last two years for employment purposes; and or (ii) any person that has seen their credit file within the last six months for any other purpose. Sec 611(d). ***This information is shown under the "Inquiry Area" on your credit report.

23. When the FTC receives a complaint on a CRA, the FTC are to tally them and transmit them to the CRA. The CRA is then to review the complaint, provide a summary of action taken - if any, and maintain records on the complaint. Sec 611(e).

24. Resellers are exempt from re-investigation requirements, except that: (i) if they receive a consumer dispute they have one week to determine is the problem is due to their system and if it is they have 20 days to get it corrected; (ii) if the item is incorrect due to information provided by the CRA the reseller is to provide all relevant information to the CRA using a mechanism specified by the CRA for such notices. Sec 611(f)(1) and (2)

25. If a reseller notified the CRA of a consumer dispute, the CRA is responsible for handling the process as if the dispute came directly from the consumer HOWEVER they will notify the reseller in lieu of the consumer once the disputed item is resolved. The reseller is then responsible for providing notice to the consumer by phone. Sec 611(f)(3).

26. Resellers may assist with reinvestigation of a consumer dispute. Sec 611(f)(4)

by ACCESS staff writer

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Robert Leeney

Written by Guest on 2005-08-02 What recourse do I have against companies pulling my credit...of which I have never given them authority to pull my credit?

I live in FL.

RE: Robert Leeney

Written by cat101 on 2005-08-16 There are several reasons for businesses to pull credit reports without your authorization. You need to be more specific on this.

CREDIT CARD NIGHTMARE

Written by Guest on 2005-08-20 WHAT RECOURSE DO YOU HAVE AGAINST A CREDIT CARD COMPANY THAT YOU FILL OUT A FORM TO BE REMOVED FROM ACCOUNT AS AN AUTHORIZED USER NOW DUE TO DIVORCE AND MAXED OUT CREDIT LIMIT OF\$16000.00 THEY MADE ME PRIMARY CARD HOLDER AND 3 MONTHS AGO I WAS NOT

RE: Credit Card Nightmare

Written by jmalmborg on 2005-08-22 If the card was a joint account, and it sounds like it was, you have liability. Even if you were taken off the card, that wouldn't impact any charges already on it. It's like cancelling a charge card. It just means that you can't make any more charged. It doesn't relieve you of your obligation to pay for the charges you have already made.

With that said, your "ex" is also financially liable. You need to work this into your settlement agreement, or take it up with you divorce attorney. You should not be the only one on the hook for these charges.

RE: Credit Card Nightmare

Written by cat101 on 2005-08-22 In a divorce, all joint accounts should be paid off and closed. Most creditors will open a

new account for you, but you have to re-apply.

legal theft

Written by Guest on 2005-09-08 i open a interest free acct. flooring co came out did estimate,they claimed how lucky i was cause i was quoted a price without installation and "how lucky i was" we decided not to get involved with a co. like this,something just wasn't right. we canceled out our order but yet they charged me for goods and services i didn't receive,and claimed to have made a special order even after we choose not to do business with them. and now I have to get a lawyer,and pay for my rights.....

RE:legal theft

Written by cat101 on 2005-09-08 If merely sent you a bill, send back a certified letter stating they provided "no good or services." If they charged your credit card, dispute it with your credit card company. File a complaint with the Better Business Bureau.

credit disputes

Written by Guest on 2005-09-26 i had an account on my file that was not mines i disputed it and equifax said they verified that it was mines, but they cant show me any signature nor can the company that it came from so what do i do?

Re: credit disputes

Written by jmalmborg on 2005-09-27 Equifax has to tell you who reported you and there has to be a way to contact them. That's where I would start. Contact the reporting party. It is quite possible that they got your information mixed up with somebody elses. It is also possible that you are a victim of identity theft. If that is the case, you need to file appropriate police reports and have your credit file flagged with a fraud alert. IF you live in a state that allows it, you may want to freeze your credit file.

CREDIT SCORE

Written by Guest on 2005-09-27 WHAT IS THE BEST WAY TO BRING UP YOUR CREDIT SCORE. I HAVE SEEN ALOT OF ARTICLES SAYING YOU CAN BRING YOUR SCORE UP IN 14 DAYS AND SO ON. DO YOU HAVE ANY TIPS OR A BOOK THAT YOU WOULD RECOMMEND ME TO GET.

RE: Credit Score

Written by jmalmborg on 2005-09-27 Well, part of the answer depends upon what your credit score currently looks like. If you have a bankruptcy, foreclosure, or have just been late on your bills, then there is no quick fix. You need to pay your bills on time, and over time, those old problems will become less relevant to lenders. But you need to be aware, it will take a full seven years from the time of your last problem for you the clear the problem from your credit record.

If you have always paid your bills on time, and haven't had any of the other problems mentioned, there are a few things that you can do.

First, pay down the amounts that you owe on your credit cards (but don't pay them off). Get the amount owed down to around 30% of your available credit limit. That will help. Paying off your credit cards will actually hurt your credit score.

Second, don't cancel any of your credit cards. Cancelling cards reduces your available credit and will also hurt you.

Check your credit report and make sure that it is accurate. Dispute any inaccuracies.

I don't know that any of these things will have a significant impact on your credit score within 14 days. But they will have a positive impact in the next few months.

Hope this helps.

Also, please register with our site.

RE: credit disputes

Written by cat101 on 2005-09-27 If you received your new credit report and they didn't change it..we can blame "E-Oscar" (we have an article on that).

Did you file your dispute via mail or electronically? If you did it electronically, now you need to dispute it again via snail mail (our weblinks have their address).

There maybe addition items on your credit report that aren't yours, look closely at names, addresses and SSN. Be certain to dispute those too.

If after doing this my snail mail, and it still isn't corrected contact your state attorney general and file a complaint against BOTH Equifax and the company that is reporting the wrong information.

Please register with our site, many times there is additional information we need to help you get problems resolved. That assistance works best via private messaging.

RE: Credit Score

Written by cat101 on 2005-09-27 The 14 day fix that you are referring to can be any number of things. It maybe a scam that the repositories are running just to get individuals to give them more money.

Or it could be in reference to re-scoring, which can occur during a mortgage. Were trades are verified and posted with a current verification date.

Either way, these are ONLY temporary changes to improve a score for a VERY brief period.

Jim is correct on what needs to be done to improve scores, but there are other elements that we have found that can affect it.

See our article "Credit Scores & How They Work."

re :credit score

Written by Guest on 2005-11-15 hi i was wondering if putting a fraud alert on your credit report will effect your score

RE: Credit Score

Written by cat101 on 2005-11-15 It shouldn't, but it all depends on what the credit grantor is using. I don't believe that they can receive just a point score, but they should be able to receive a point score with a credit report with a fraud alert.

I know that with a fraud alert on your file -- instant credit is out of the question.

statue of limitations on collecting

Written by Guest on 2005-11-19 How long can an attorney, debt collection agency seek money owed.

RE: Statute of Limitations

Written by cat101 on 2005-11-21 There are no statute of limitations on collecting a debt. They can attempt to collect forever.

unauthorized credit pulling for out of s

Written by Guest on 2005-12-07 Isn't it illegal for a collection company to pull your credit report for an out of statue acct? I just received my report and noticed the same company has pulled my credit report three times this year. I have not giving them permission for the inquires nor have I ever conducted business with them. What are my options?

I reported this company to the FTC last year with the original creditor. The CRA removed all negative information due to my complaint however they state they can't remove the inquiries. I contacted the FTC again this year, I was informed they have received numerous complaints about this company and its practices. I may need to write them and then get an attorney. Again, I know that laws were broken, but which?

RE: Unauthorized Pulls

Written by cat101 on 2005-12-07 No.

First, the FCRA specifically gives collection agencies the right to pull your credit report.

Second, out of statute merely refers to a deadline in which to take legal action.

Most collection agencies stop pulling credit reports after statute has run because the report costs them money. But they don't have to. Remember, the debt never really goes away. Also there maybe a current debt that the agency is attempting to collect on that might not be shown on your credit report. We know that TransUnion doesn't report low balance collection items.

Also there maybe situations that cause the statute of limitations to be extended -- such as filing a bankruptcy and then having it dismissed.

unauthorized credit pulling for out of s

Written by Guest on 2005-12-08 The acct. this company is collecting on is a fraudulent acct. I never check report until this acct. last year. The company was attaching all kinds of accts. to my records until I checked and complained. Then most were removed immedly. However, they cont'd on one which has finally been removed this year. Yet, they cont. to pull on my record. How is this legal?

RE:unauthorized credit pulling

Written by cat101 on 2005-12-12 Please register with our site, so that we can clarify situations.

Your original statement delt with an out of statute account not a fraudulent account...which is it? If it is fraudulent then how did you know that it is out of statute?

NCO do not give you time to validate

Written by Guest on 2005-12-14 I receive a bill from NCO dated Oct 11, receive it around the 17 or 18. I dispute this debt and ask for verification and sent it certified with a return receipt . They receive this on the 10 of November and did not get back with me and reported this collection on my credit report. I did fill a complaint with FTC and the BBB. I will also file a dispute with the credit bureau .

collection agencies that do not send ver

Written by Guest on 2005-12-14 what else can I do to get this collection off my credit report if they did not vaildate.

re: collection agencies that do no valid

Written by cat101 on 2005-12-16 First, register with our site, we are then able to ask questions via PM.

First, there is a big difference between validation and verification.

Validation merely reviews information on file and outside facts to make certain that the information is correct this is provided in the FCRA. Validation - checks with original creditor to see if there have been any payments that may change the amount due. Validation is done between the CB and the company that listed the information. There are additional checks like name and SSN and address.

Verification is provide by the FDCPA. This allows for you to dispute the debt upon receiving notice. By law you must do

this within 20 days of receiving the notice. Notice is assumed (by most courts) to be received if the mailed piece did NOT return.

Which are you speaking of?

Disputed Credit Card MBNA

Written by Guest on 2005-12-19 MBNA alleges that I had a credit card with them which I did not. MBNA sold the alleged account to NCO Portfolio - a debt collection agency. We need help quickly due to refinancing efforts in the removal of the incorrect information. Never had a MBNA account. Thank you.

RE: Disputed MBNA

Written by cat101 on 2005-12-19 How do you know that this is being reported on your credit report? Have you told MBNA? Have you told NCO? What do they say?

Please register with us so that we can clarify the situation.

Disputed MBNA

Written by Guest on 2005-12-22 Credit History has an entry for MBNA and separately for NCO. Told both that debt is disputed but they refuse to take any action to investigate or provide proof. I suspect that the account was originally with another bank First Union which was sold in Feb 2001 to a division of MBNA. However we never rec'd any further communication or correspondence from either MBNA or First Union. NCO sent case to arbitration without giving us an opportunity to review the matter and seek proof of debt beforehand. NCO says that MBNA told them that it was always an MBNA account. My thoughts regarding First Union are based upon a letter I rec'd from First Union 3/30/01 stating that a division of MBNA would be assuming the account. Again, nothing heard further from either party or from NCO until arbitration process initiated. Never rec'd monthly statements from MBNA. Isn't this a violation of FDCA?

double debt

Written by bigfoot on 2005-12-31 I have a debt which was charged off 3/99. I was hoping to get my life back on track this coming year (7years). I just saw my credit report with this same debt, but under a new name; LUNV Funding on Experian report and Sherman Acquisition on Trans Union. Both of them are claiming this debt opened 10/02 and will be removed 4/2012! How can this 7 year debt with the same # be on my report as a new debt? I think I'm going to have a heart attack.

Thank you for any help

RE: Disputed MBNA

Written by cat101 on 2006-01-03 MBNA is a tradeline, NCO is a collection item. These will always show as two different lines.

If you disputed the bill, NCO should show as "disputed." The original creditor (MBNA) does not have to show it as disputed.

Nothing you've said is a violation of the FDCPA...which ONLY NCO is to comply with. MBNA is not a 3rd party collection agency.

RE: Double debt

Written by cat101 on 2006-01-03 This is a violation of the Fair Credit Reporting Act. File a complaint with your state Attorney General against all 4 companies (Experian, TransUnion, LUNV, and Sherman.)

They can not change the delinquency date on a debt just because they purchased it.

RE: Double debt

Written by cat101 on 2006-01-03 This is a violation of the Fair Credit Reporting Act. File a complaint with your state Attorney General against all 4 companies (Experian, TransUnion, LUNV, and Sherman.)

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DOUBLE DEBT 2

Written by Guest on 2006-01-18 I also have the same problem with LUNV. I had a secured credit card when I was 18. I paid a \$250 deposit. Part of the "Terms & Conditions" were that if at any time the acct. became overdue, the \$250 would pay it off and the acct. would be closed. Now 8 years later, it's still on my credit report because the date in which they bought it seems to apply. I just got a letter from them wanting me to settle out @ 20% of the phenomenal charge that they say that I owe. What should I do?

RE: DOUBLE DEBT 2

Written by cat101 on 2006-01-18 Please register with our site. I'm unsure of what you mean in your question & am unable to respond.

RE;non responsive collection agency

Written by Guest on 2006-02-15 I have a account that has been sold to a 3rd and i have dleft multiple messages and have not recieved a letter or a call back nor to I have a adress to send a settlment request.what recourse do I have

Re: Nonresponsive Collection Agency

Written by jmalmborg on 2006-02-15 First, please register with our site. Also, any donations would be greatly appreciated and are tax deductible.

I'm assuming that the agency has been calling you, leaving messages with a call back number, and then you are returning the calls only to get voice mail. Am I correct?

Since they have purchased the debt, they are bound by the FDCPA. The FDCPA requires that they identify who they are including an address if you request it. If they leave you another message, call back and request their address and the best time to call. Also, keep a journal of your calls, noting the dates and times of the calls (both calls that come from them and calls you place to them).

If they don't provide you with the information you are seeking, file a complaint with your state attorney general.

RE: Nonresponsibe Collection Agency

Written by cat101 on 2006-02-16 I think Jim has been working too late at night. If you state that your debt "has been sold." Then they "purchased" the debt and they are NOT bound by the FDCPA. Only thrid party collectors are!

I would document when they called & the message that they left & when you called back...other than that, I wouldn't get too excited. They sound pretty amatuer and apparently don't want their money that bad.

Many times these debt purchasers buy accounts at 5 cents on the dollar. And only attempt so many times before they just go away.

If you ever learn who they are, then I would use your documentation to file a complaint with your state AG.

Starting the Clock Over!

Written by Guest on 2006-03-13 People, don't kid yourselves about the 7 year Date of Last Activity statute concerning a charged off account. It lives on indefinitely after the 7 years unless you pay or file bankruptcy. The charge-off itself will not show, but the inquiry from a collection agency in regards to that account will! All it takes is the "permissible purpose" tactic that the CRA'S give to their sleazy collection agency friends and BINGO, two more years. The Arrow Collection Agency, owned by Sallie Mae, uses this tactic all of the time. The Credit bureaus list it as a permissible purpose and any inquiry that falls under the "permissible purpose" category stays on your report for two years. If they do it every month, which is in my case, it stays indefinitely and it's listed as Inquiry-Collection Agency. How do you think it looks when a loan officer views that on your report.

RE: Start the Clock Over!

Written by cat101 on 2006-03-14 You need to stress that you are speaking about "Sallie Mae", a government backed student loan situation! These types of debts have NO STATUE OF LIMITATIONS.

All debts owed to our government, this includes property taxes, income taxes, fines, fees, etc. never go away. They may even attach your assets after death.

RE: Start the Clock Over!

Written by jmalmborg on 2006-03-15 One more thing about this.

There is a recent federal court ruling on student loans that said that the federal government has the right to garnish Social Security and disability payments in order to repay student loans. This means that if you don't pay the loan back, the government will have the right to come after you when you start collecting Social Security.

This means that you should try to get on a payment plan to take care of this issue.

Credit Score

Written by koliverpratt on 2006-06-11 I signed up with equifax score watch and recently learned that my score decreased by 14 points due to an inquiry by First USA Bank. I started researching this bank and found that it is linked to Bank One.....it is also how I found your website. I was a secondary on a joint auto account with my deceased father-in-law and now I'm getting phone calls from a collection agency threatening to file a lien on my home for the balance. It is also showing on my credit report as a duplicate account under two different names. My husband and I have since hired a reputable credit repair company to help improve our credit and so far they are doing wonderful, but I fear of the accounts being reinserted back on the credit file since disputing collections accounts causes more phone calls from collection agencies. What are the laws on this type situation.

RE: Credit Score

Written by cat101 on 2006-06-12 First, the score you buy is NOT the score a creditor sees. There are thousands of credit score used by different industries.

Second, since the account was joint with your father-in-law, you too are liable for the debt. Didn't he have anything in his estate to pay his bills?

Third, you are correct, disputing tradeline on your credit report can cause more phone calls...you just provided the CRA with all the necessary information to verify the debt. Now, the creditor has that information as well.

Fourth, if you jointly agreed to pay the debt then you need to begin resolving the situation with the creditor.

Fifth, they can't lien on your home until after they have sued you for the debt.

Sixth, valid accounts will continue to be reported on your credit file until you contact the original credit and get the issue resolved or seven years have passed since date of delinquency (which is normally 90 days to 180 days after last payment).

Credit Score

Written by Guest on 2006-06-12 Thanks for the info cat101....I was told that a creditor can't lien my home because of it's current tenancy (owned jointly with my husband), therefore my creditor cannot lien my home as long as my husband owns it as well. They can file a judgement against me but can't touch my home. Do you have any knowledge of this law? Also, I am confused about resetting the clock....I have found that old collection items on my credit have been reset to an earlier report date. I've seen collection report date and Assigned date..... Is this legal and exactly what date is used to start the clock?

Experian - investigation

Written by Guest on 2006-06-15 2 days ago I asked Experian to investigate a negative mark by Verizon. I gave them the name/number of the consumer advocate at Verizon who removed the charges that were made after my account was closed. This morning Experian told me their investigation is complete, and the negative mark stays on my credit report. They provided NO details about how the investigation was performed or who they contacted. When I called to request this information, Experian told me to contact VERIZON for details of Experian's investigation, and refused to provide me with their own details of their own investigation. WHY do they get away with this???

RE: Credit Score

Written by cat101 on 2006-06-15 Not sure who told you that, but if the creditor gets a judgment against you, they can lien the property - because part of it is yours. This can cause problems when you try to sell it -- won't have a clear title.

If they do get judgment against you, they can do other things besides go after the home. They can garnish wages, attach bank accounts, attach assets (stocks, CDs, car, boats, etc), garnish your wages, etc. It all depends on what your state allows. And in some states the wife debts are the husbands too....Sorry.

As for the date, the Fair Credit Reporting Act, refers to the date of delinquency. This is the date that the account was FIRST turned over to a collection agency or written off, etc and is to never be reset.

Search net for FCRA, then read the section titled: "Duty to provide notice of delinquency of accounts "

RE: Experian Investigation

Written by cat101 on 2006-06-15 Why do they get away with this? Because they can.

No one, not even the FTC, understands the FCRA. Clearly it says that you have a right to ask the CRA who they spoke with regarding the investigation. I'm shocked that you spoke with anyone at Experian.

The reason why they can't tell you is because they do this process via E-Oscar (search our site for this). After you read our article on this, let us know if you have additional questions.

RE: Experian Investigation

Written by Guest on 2006-06-16 "Our federal government should be ashamed."

I agree. Thanks for the info re: E-Oscar.

"Of the people, by the people, for the people" has become "of industry, by industry, and for industry". You're right, our federal government SHOULD be ashamed. I'm ashamed of them.

RE: Experian Investigation

Written by Guest on 2006-06-16 ps: "I'm shocked that you spoke with anyone at Experian. " So was I.

FYI - there is no telephone menu option to speak with an agent. Out of sheer frustration I discovered that the voice recognition system DOES recognize the request, even though it won't present the option.

Charge off explanations

Written by Guest on 2006-07-20 I would like to place an explanation beside a charge off on my credit report. How do I do that?

RE: Charge off explanation

Written by cat101 on 2006-07-20 The only thing you can add to your credit report is a 100 word statement. You can certainly say, "regarding my account with ??, this was a...."

This statement is then reporting on every credit report pulled.

To do that you must work directly with each CRA..You'd only want to place that note on the ones that are reporting it.... Look at your credit reports to see which one's need to be notified.

COMMENTS CLOSED