



Disputing an Error on a Credit Report Under the Fair Credit Reporting Act

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Congress enacted the Fair Credit Reporting Act (FCRA) in 1970 to require consumer reporting agencies to accurately report consumer credit information. The FCRA gives consumers rights to dispute errors in credit reports. Consumers must follow a specific procedure to properly dispute an error in a credit report. Likewise, reporters of information concerning a consumer's credit must follow specific investigatory procedures upon receipt of notice of disputed information.

First, the consumer must notify the agency reporting the inaccurate information of the error. The three major credit reporting agencies are Experian, Equifax and TransUnion. Each of these companies maintain websites that allow consumers to dispute information in a credit report on-line.

In most cases, a consumer credit reporting agency must conduct an investigation within 30 days of receiving notification of a dispute from a consumer to determine whether the disputed information is inaccurate. This investigation must be conducted by the agency at no charge to the consumer. In the event the agency's investigation reveals erroneous information, the agency must cease reporting the incorrect information and take steps to prevent the erroneous information from reappearing in the consumer's credit report. Within five days after completing its investigation, the agency must provide the consumer, in writing, with the results of its investigation.

When a consumer reporting agency receives notice of disputed information, it must provide notice of the dispute to the party responsible for furnishing the erroneous information within 5 days (*e.g.*, a credit card company that incorrectly reported payments on a credit card account as delinquent). Once the party furnishing the information receives notification of a dispute from a consumer reporting agency, it must:

- conduct an investigation with respect to the disputed information;
- review the information provided to it by the consumer reporting agency concerning the dispute;
- report the results of its investigation to the consumer reporting agency regarding the dispute;

- if the investigation finds that the disputed information is incomplete or inaccurate, the party furnishing the information must report this fact to all other consumer reporting agencies that received the erroneous information; and
- discontinue any future reporting of the erroneous information.

The party furnishing the information must complete these steps before the 30-day deadline by which the credit reporting agency must complete its investigation of the disputed information expires.