

Do-It-Yourself Guide



DEALING WITH DISPUTES

**HOW TO REMOVE THE “ACCOUNTS IN DISPUTE” TYPE REMARKS FROM A
CREDIT REPORT**

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Outline

1. Obtaining Reports
2. Calling the Bureaus
3. Calling the Creditors
4. Pay for Deletion

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Dealing With Accounts In Dispute

What do you do when your lender says they are unable to provide you a loan because you have accounts in dispute? For the lender, Fannie Mae, Freddie Mac and FHA now prohibit a loan to be closed with accounts labeled "Consumer Disputes This Account." Are you stuck? Is there any hope? What's the fastest route to a solution and what are all your options available to resolve the issue?

While there may be a little fight involved, it is absolutely something that you can do and with a little knowledge on your side, the task will be all the more doable. That's what we're going to cover here in this article, so let's get started.

Step 1: Obtaining a recent credit report

You will want to obtain a credit report at www.annualcreditreport.com or we also highly recommend the reports supplied through www.3reports3scores.com (Privacy Guard) as they are easy to read and understand and include scores. This is a trial product (\$1 for first 14 days—cancel any time.) If you want ongoing credit monitoring, it's a good product to use.

You'll want to have the reports so that you can reference the specific accounts that contain the disputed account information (unless your lender provided you with this information.) Armed with your credit reports, you're ready to begin. You may want to pour yourself an adult beverage, get prayed up, or both at this point as it can be a lengthy and stressful endeavor.

Step 2: Calling the bureaus

We'll provide the numbers for each bureau but we want to point you to a great resource in case the bureaus have mysteriously changed their numbers... again. Gethuman.com is a fantastic site that you can utilize for all sorts of phoning missions. Simply type in the company name and it will give you the best number and more importantly the series of buttons to push (if needed) to get a human on the line. How cool is that?

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So, the best numbers we have on record at the moment for the 3 bureaus as of today (4/14/2013) are:

- TransUnion 800-916-8800, At prompt, press 3 then press 2.
- Experian 714-830-7000, Press 0
- Equifax 800-846-5279 direct to human, just wait.

Good to know: Per the Fair Credit Reporting Act section 611, paragraphs A and B (FCRA, filed under 15 USC 1681), when you file a dispute with the credit bureaus claiming that an item in your credit report is false or inaccurate, they have 30 days to investigate with the single exception of extending the investigation an additional 15 days if the consumer reporting agency receives information from the consumer during that 30-day period that is relevant to the reinvestigation. So, after a maximum period of 45 days, the account in dispute should be brought to a resolution.

Step 3: What to say once you're on the phone with a human

Tip: Remember to be polite but firm. Be persistent and stay on the line until you have it resolved.

Bureau: Please verify your identity

Provide whatever information they request for your proof of identity.

Bureau: What can I do for you today?

You: Yes I'm calling to inquire about an account that is currently being reported as "consumer disputes this account." I requested a verification of the accuracy of the account more than 45 days ago. I was informed by letter that the account was verified. So, I am a bit confused as to why the account is still reporting as though it is under dispute.

It's my understand that section 611-a-1-A and 611-a-1-B of the Fair Credit Reporting Act requires investigation periods to be completed in 30 days with a maximum period of 45 days if additional information is provided. Since it's been much longer than 45 days, I'm sure this inaccurate status was just an oversight and that we can get this corrected quickly.

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At this point, the credit bureaus will almost always try to get you off the line by shifting responsibility to the creditor.

Bureau: I'm sorry, you'll need to contact the creditor about this.

You: No, that really won't help. The dispute was filed initially with you and that is why I'm contacting you. According to the Fair Credit Reporting Act section 611a paragraphs 1A and 1B the legal time period for the investigation has passed and it is the role of the credit bureau to then accurately report the status of the account. So, I'm sure you'd agree there's little point in me contacting the creditor when the dispute was filed with you right?

Bureau: I am sorry but we cannot remove the statements

You: So what you're telling me is that you are willing to break the law and not remove these statements? According to the Fair Credit Reporting Act section 611B and 611C, if the furnisher finds the information to be accurate, the furnisher cannot continue to report that information in dispute unless the information is accompanied by a 100 word statement that it is disputed."

I have not attached a 100 word statement to any of these accounts because I'm no longer disputing them. You verified their accuracy, I was satisfied with that response, and consequently, the accounts should be accurately reported as no longer in dispute.

Keep insisting that they adhere to the law. If the 1st person continues to tell you that they are unable to remove the disputes, ask to speak to a supervisor and repeat the above information to the supervisor.

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When the dispute was filed with the creditor

So far we've addressed when the original dispute was filed with the credit bureaus. Often, however, it's the creditor who is attempting to hold your status hostage. Collection companies especially are known for the strong arm attempt to keep a file in dispute unless you are willing to pay the account. So, how to handle that situation?

Much like the call with the credit bureaus, be polite but stern. You may want to read and familiarize yourself with the section of the Fair Credit Reporting Act included on the last page before calling.

The key to success here is to know that the law is on your side and that a creditor never has the right to report inaccurate information. In the case of the creditor, you can utilize the same script from pages three and four with only slight modification.

IE.

Creditor: I am sorry but we cannot remove the statements

You: So what you're telling me is that you are willing to break the law and not remove these statements? According to the Fair Credit Reporting Act section 611B and 611C, if the furnisher finds the information to be accurate, the furnisher cannot continue to report that information in dispute unless the information is accompanied by a 100 word statement that it is disputed." I no longer dispute the validity of this claim and the information has been determined to be accurate.

So, are you telling me that you, knowing that the account is undisputed are willing to intentionally violate the Fair Credit Reporting Act and report inaccurate information?

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Pay for Deletion Template

Your Name
Your Address
Your City, State Zip

Collector's Name
Collector's Address
Collector's City, State Zip

Date:

Re: Account Number XXXX-XXXX-XXXX-XXXX

Dear Collection Manager:

This letter is in response to your **[letter / call / credit report entry]** on **[date]** related to the debt listed above. I wish to save us both some time and effort by settling this debt.

Please be aware that this is not an acknowledgment or acceptance of the debt, as I have not received any verification of the debt. Nor is this a promise to pay and is not a payment agreement unless you provide a response as detailed below.

I am aware that your company has the ability to report this debt to the credit bureaus as you deem necessary. Furthermore, you have the ability to change the listing since you are the information furnisher. I am willing to pay **[this debt in full / \$XXX as settlement for this debt]** in return for your agreement to remove all information regarding this debt from the credit reporting agencies within ten calendar days of payment. If you agree to the terms, I will send certified payment in the amount of \$XXX payable to **[Collection Agency]** in exchange to have all information related to this debt removed from all of my credit files.

If you accept this offer, you also agree not to discuss the offer with any third-party, excluding the original creditor. If you accept the offer, please prepare a letter on your company letterhead agreeing to the terms. This letter should be signed by an authorized agent of **[Collection Agency]**. The letter will be treated as a contract and subject to the laws of my state.

As granted by the Fair Debt Collection Practices Act, I have the right to dispute this alleged debt. If I do not receive your postmarked response within 15 days, I will withdraw the offer and request full verification of this debt.

Please forward your agreement to the address listed above.
Sincerely,

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Good to know: Below is the relevant sections of the Fair Credit Reporting Act in case you want to familiarize yourself with the specific sections that address this issue.

§ 611. Procedure in case of disputed accuracy [15 U.S.C. § 1681i]

(a) Reinvestigations of Disputed Information

(1) Reinvestigation Required

(A) In general. Subject to subsection (f), if the completeness or accuracy of any item of information contained in a consumer's file at a consumer reporting agency is disputed by the consumer and the consumer notifies the agency directly, or indirectly through a reseller, of such dispute, the agency shall, free of charge, conduct a reasonable reinvestigation to determine whether the disputed information is inaccurate and record the current status of the disputed information, or delete the item from the file in accordance with paragraph (5), before the end of the 30-day period beginning on the date on which the agency receives the notice of the dispute from the consumer or reseller.

(B) Extension of period to reinvestigate. Except as provided in subparagraph (c), the 30-day period described in subparagraph (A) may be extended for not more than 15 additional days if the consumer reporting agency receives information from the consumer during that 30-day period that is relevant to the reinvestigation.

(b) Statement of dispute. If the reinvestigation does not resolve the dispute, the consumer may file a brief statement setting forth the nature of the dispute. The consumer reporting agency may limit such statements to not more than one hundred words if it provides the consumer with assistance in writing a clear summary of the dispute.

(c) Notification of consumer dispute in subsequent consumer reports. Whenever a statement of a dispute is filed, unless there is reasonable grounds to believe that it is frivolous or irrelevant, the consumer reporting agency shall, in any subsequent report containing the information in question, clearly note that it is disputed by the consumer and provide either the consumer's statement or a clear and accurate codification or summary thereof.