



**LANTERN**  
BY LABATON

# CONSUMER ALERT

## YOUR RIGHT TO AN ACCURATE CREDIT HISTORY

In the United States, your credit report is a record of your repayment of debts collected from several sources, including banks, credit card companies, and collection agencies. Your credit worthiness is further represented by your FICO score—a number generated by applying a mathematical algorithm to your credit report and other sources of information to predict the likelihood you will repay a loan or line of credit.

For example, when you apply for a credit card, the business offering the credit card forwards your information to a consumer reporting agency. The largest consumer reporting agencies are Experian, TransUnion, and Equifax. The consumer reporting agency then matches your name, address, and other identifying information with information it has regarding your repayment of past debts and reforwards that information to the business offering you the credit card so the business can make a decision as to how likely you are to repay the credit extended to you on the card. As you use the credit card, that business then “furnishes” your repayment history back to the consumer reporting agency, who will then supply that information to other businesses you apply for credit from in the future. When you repay your debts on time, that behavior becomes a part of your credit report as “good” credit history. If you don’t fully repay your debts, that information also becomes part of your credit report as “bad” credit history.

It’s important that furnishers and consumer reporting agencies report your credit history accurately because today a credit report and credit score aren’t just needed for obtaining a credit card or bank loan. Many other types of business are permitted to consider the good and the bad items on your credit

history when you ask them to employ you, insure you, or lease an apartment to you. Unfortunately, sometimes your credit report is negatively impacted through no fault of your own. For instance, if someone else steals your identity, they could get credit in your name and not repay it, damaging your credit without your knowledge. The credit reporting agencies and the businesses that furnish your credit history to them can also make mistakes—for example incorrectly reporting a debt you repaid in full as delinquent.

You are protected by federal laws that govern the businesses that report on your credit history, both the consumer reporting agencies and the furnishers. These laws require that the businesses use reasonable procedures to ensure the maximum possible accuracy of the information contained within your credit report and give you a meaningful chance to dispute any errors.

The businesses that furnish information about you to the consumer reporting agencies must:

- ◆ Provide complete and accurate information to the consumer reporting agencies,
- ◆ Investigate the items you dispute with the consumer reporting agencies,
- ◆ Correct, delete, or verify information within 30 days of receipt of a dispute, and
- ◆ Inform consumers about negative information which is in the process of or has already been placed on a consumer's credit report within one month.



The consumer reporting agencies themselves (like Experian, TransUnion, Equifax) must:

- ◆ Accept the disputes you submit to them online or through the mail,
- ◆ Direct the furnisher of the disputed credit item to investigate and verify its accuracy or correct it if it is inaccurate, and
- ◆ Explain the results of the completed investigation and any actions taken.

The law requires that you may obtain a free credit report annually from each of the consumer reporting agencies if you request it. The law also requires that debt collectors inform you that you have the right to dispute a credit item with the consumer reporting agency. You can learn more about how to get your free annual credit report and how to dispute inaccurate credit items that are damaging your credit history [here](#). If you ever dispute an inaccurate item on your credit report, it's important to maintain copies of your dispute submissions, consumer reporting agency account numbers, and any correspondence with the consumer reporting agency regarding your dispute and its investigation. This information is important because if the consumer reporting agency does not conduct a reasonable investigation into the disputed item and return a reasonable explanation of the findings of that investigation, you may have a claim and can use this information as proof that the law was violated.

---

Labaton Sucharow's lawyers are available to address any questions you may have regarding these developments. Please contact the Labaton Sucharow lawyer with whom you usually work or the contacts below.

**Jonathan Gardner:**

*[jgardner@labaton.com](mailto:jgardner@labaton.com) / 212.907.0839*

**Melissa H. Nafash:**

*[mnafash@labaton.com](mailto:mnafash@labaton.com) / 212.907.0861*

**Jonathan Waisnor:**

*[jwaisnor@labaton.com](mailto:jwaisnor@labaton.com) / 212.907.0623*

**Adrian Ward:**

*[award@labaton.com](mailto:award@labaton.com) / 212.907.0883*

© 2023 Labaton Sucharow LLP

*Attorney Advertising: The enclosed materials have been prepared for general informational purposes only and are not intended as legal advice.*

