

## McCarthy Law: The Top 13 Errors That We Sue Banks And Credit Reporting Agencies For Failing To Correct After Dispute

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**1. The Consumer paid the account balance in Full but the credit report still shows the consumer owes the creditor:** The account was paid in full and should be reporting a zero balance.

- **Supporting Documentation needed for Lawsuit:**

- Dispute Letter Sent
- Response to Dispute Letter
- Credit Report
- Settlement Letter\* or Cancelled Settlement Payments/Checks\*

\*Not needed for a lawsuit but helpful if available

**2. The consumer paid less than the full account balance in a negotiated settlement but the credit report still shows the consumer owes the creditor:** The account was settled and paid at a reduced amount. The creditor has not applied the settlement payment and is still reporting the full balance. The account should be reporting a zero balance.

- **Supporting Documentation needed for Lawsuit:**

- Dispute Letter Sent
- Response to Dispute Letter
- Credit Report
- Settlement Letter\* or Cancelled Settlement Payments/Checks\*

\*Not needed for a lawsuit but helpful if available

**3. The creditor issued a 1099C to the consumer but it still showing the money as due from the consumer:** A 1099C was issued for the full balance on the account. The creditor is still reporting the full balance, but the balance should be reporting as \$0. (Chase is one creditor that issues a significant number of 1099C to consumers).

- **Supporting Documentation needed for Lawsuit:**

- Dispute Letter Sent
- Response to Dispute Letter
- Credit Report
- 1099

**4. The account was sold to a debt buyer or different creditor but is showing as still owed to the original creditor:** The original creditor is still reporting the balance owed. The account should be listed as transferred to another lender and the original creditor should report a zero balance.

- **Supporting Documentation needed for Lawsuit:**

- Dispute Letter Sent
- Response to Dispute Letter
- Credit Report

**5. The consumer is listed as owing the same money to the same creditor twice:** The account is reporting twice on a credit report.

- **Supporting Documentation needed for Lawsuit:**

- Dispute Letter Sent
- Response to Dispute Letter
- Credit Report

**6. Unknown account on credit report:** Consumer has no knowledge of the account.

- **Supporting Documentation needed for Lawsuit:**

- Dispute Letter Sent
- Response to Dispute Letter
- Credit Report

**7. Debt buyer bought the debt from another creditor and re-aged the last paid date on the credit report:** Many debt buyers state the last paid date as the date they purchased the account, which is not accurate. The last date paid often happened long before the account was transferred. Refer back to the original creditor last paid date to find this error.

- **Supporting Documentation needed for Lawsuit:**

- Dispute Letter Sent
- Response to Dispute Letter
- Credit Report

**8. Short sale listed as a foreclosure instead of a short sale:** Short sale is listed as a foreclosure. Should be reporting as “settled and/or sale for less than the full balance.”

- **Supporting Documentation needed for Lawsuit:**

- Dispute Letter Sent
- Response to Dispute Letter
- Credit Report

**9. Date of foreclosure incorrectly shows as much later than allowed:** Foreclosure dates should be listed as Foreclosure within 30 days of the actual foreclosure date. If later, it is an error.

- **Supporting Documentation needed for Lawsuit:**

- Dispute Letter Sent
- Response to Dispute Letter
- Credit Report
- Default Mortgage Notice
- Notice of Trustee Sale
- Trustee Deed Upon Sale

**10. Consumer went bankrupt and debt included in bankruptcy is still showing due:** All debts included in the filing of bankruptcy should show a zero balance post-bankruptcy.

- **Supporting Documentation needed for Lawsuit:**

- Dispute Letter Sent
- Response to Dispute Letter
- Credit Report
- BK Discharge

**11. Debt belonging to a consumer’s relative shows as debt in consumer’s report:** Sr, Jr, III. Surnames mixed up. Credit card belonging to John Doe Sr. is incorrectly reporting on John Doe Jr.’s credit report.

- **Supporting Documentation needed for Lawsuit:**

- Dispute Letter Sent
- Response to Dispute Letter
- Credit Report

**12. Account is too old to be reporting as delinquent:** Generally, a delinquency occurring more than 7 years prior to the date of the report must be removed.

- **Supporting Documentation needed for Lawsuit:**
  - Dispute Letter Sent
  - Response to Dispute Letter
  - Credit Report

**13. Consumer is authorized user of another person's credit card and report shows total balance for all users, not just the authorized user's balance:** Many credit card companies show the total balance on a credit card account for all users, not just the authorized user even though the credit card agreement makes clear that the authorized user is only liable for charges they make, not the total balance.

- **Supporting Documentation needed for Lawsuit:**
  - Dispute Letter Sent
  - Response to Dispute Letter
  - Credit Report

### **Items that are not typically violations of FCRA and not eligible for litigation:**

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- **FDCPA violations** – harassing phone calls.
- **Incorrect Personal Information** (name, address, etc.).
- **Any reporting involving public records** where the report simply reflects what is listed on public records even though public records may be incorrect.
- **Any reporting involving Government:** Federal, State, City municipality or agency.
- **Any reporting involving the IRS and Taxes.**
- **Any creditor reporting a balance** where the debt was not paid off.
- **An account that is actually valid** but the consumer just does not want to pay it.
- **Any Child Support Issues**
- **Any Issues of Identity Theft without a police report**
- **Credit Report Inquiries**