

David Schultz Analyzes in ARM Compliance Digest: Judge Grants Motion for Summary Judgement for Defendant in FCRA Case Over Disputed Debt Investigation

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In the December 19, 2022 edition of the *ARM Compliance Digest*, Hinshaw partner David Schultz discussed lessons learned from an Arizona District Court judge's decision to grant a defendant's motion for summary judgment in a Fair Credit Reporting Act (FCRA) case. Schultz stated:

Sanchez v JPMorgan Chase hits on many of the issues that arise in a challenge to a tradeline. The court spends 18 pages doing a nice analysis of FCRA law on disputes, ultimately ruling for the furnisher. The basic facts are that JPMorgan Chase accepted a small payment to resolve a debt. It then reported a \$0.00 balance, that it was 120 days delinquent, and that it was settled for less than the full balance. Plaintiff disputed the report but was a bit vague on the grounds. Chase investigated the matter and kept reporting a payment rating of 120 – 149 days past due. This FCRA suit followed.

Plaintiff claimed that payment rating was not proper. The court disagreed. It said that it is neither patently inaccurate nor materially misleading. The court said the tradeline must be viewed in its entirety. When "Pay Status" is looked at in conjunction with the rest of the tradeline, it is clear that the tradeline is reporting a historical pay status. The tradeline lists a zero balance, states a last payment in September of 2018, notes it was closed in 2018, and it settled for less than the full balance.

Once the court determined that the information was not patently incorrect or materially misleading, it moved on to review whether the investigation was reasonable. Chase showed that it reviewed its internal notes and verified the account status, the payment rating, and the account history. It verified the accuracy of the dates opened, last payment, and account closure. It insured it was reporting consistent with Metro 2 standards. The court concluded the investigation was reasonable.

The case presents a nice analysis on the standards to address in a tradeline dispute case. The insight into Chase's investigation is also helpful for furnishers.

“Judge Grants MSJ For Defendant in FCRA Case Over Disputed Debt Investigation” *ARM Compliance Digest*, December 19, 2022.

[Read the full December 19, 2022 edition of the AccountsRecovery.net Compliance Digest.](#)

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