



## **Authored Responses by Attorney Phillip A. Greenblatt**

You raise a number of different issues by your discovery of the indebtedness listed on your credit report. I am a litigator and not a credit expert but I will try to give you some perspective on your questions.

- 1) One is whether a creditor can report an outstanding claim. Generally, the answer is that a creditor is allowed to credit report so long as the information is historically accurate under the Fair Credit Reporting Act. Credit reporting may occur along the entire life span of a debt including from the inception of a request for credit through its payment or other elimination and for a number of years thereafter. Credit reporting allows a potential creditor to assess risk in granting a loan and applicable interest rate. Credit reporting can be a double edge sword for a consumer. Reported information may be helpful when it comes time for seeking an extension of credit or bad depending on what the history reflects. Likewise, no history may work against a consumer seeking credit when a prospective creditor does not see a pattern of credit and timely payment. Striking the right balance may be elusive especially when there does not seem to be a uniform scoring manual available to the public at large and only general concepts of do's and don'ts.
- 2) Two is why bother fighting this in court if they have already reported the matter negatively. As I indicated above, a consumer should generally expect a credit matter to be reported on their credit report at all stages of the debt regardless of litigation.
- 3) Three is whether you can get this matter removed from your credit report. Generally, again reporting should be expected regardless of litigation and there may be no magical basis to have a matter "removed" or "deleted" from a credit report but such may occur under some circumstances including with payment and passage of time, identity theft, and possibly in the event of litigation and a judicial finding that the debt is not owed. Otherwise, the term as I understand to be is that a credit reporting



entity has an obligation to "update" credit information which may include payments, non-payments, or reported disputes.

- 4) Four is whether there is anything else that you can do now regarding the reporting of the item on your credit profile. You can write a letter to the major credit bureaus and notify them that you dispute the validity of the debt and/or the accuracy of the reported item and demand that they investigate the matter and/or demand that they report the debt as disputed by the consumer.
- 5) Five is why bother fighting this in court generally. There are a host of reasons to fight this in court including all of the reasons stated above. Additionally, if you do not fight this in court and either prevail or reach a mutually agreeable resolution as to the outcome then you lose your voice in the outcome which would presumably include the entry of a judgment for the entire amount of the creditor's claim plus interest that accumulates and any costs that the creditor expends in its effort to collect. The judgment is good for ten years and then can be renewed for another ten years. During the judgment period, a judgment creditor can seek to persistently enforce judgment remedies including garnishment of wages, bank accounts, tax refunds, property liens and creditor examinations to mention a few. Failure to appear for a creditor's examination may result in the entry of bench warrant for one's arrest - not for not paying the debt but for disobeying a command of the court. Attending a creditor's examination usually demands the presentation of sensitive information and the books and records of one's assets and liabilities.
- 6) If you are annoyed now by the process now then envision what may occur with the alternative. I am empathetic to your concerns. One of my primary purposes in establishing my area of practice was to assist consumers to navigate through the world of consumer collection debt demands and related litigation in an effort to conclude the matter in a manner that softens the impact for my client. You are my client and I will seek to reach a logical conclusion to this matter that softens the impact for you. Litigation typically concludes with either a settlement or the judge taking it out of the hands of the parties and deciding the case. Neither party's attorney can guarantee a result and is not privy to



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the judge's impressions and therefore are left to predicting a possible outcome based on experience, available facts and evidence as they exist in the case and an analysis of application of the law.

The above points are an over simplification of the process as there are many nuances too complex to elaborate on without you having a law degree and as nuances pertain to civil procedure, rules of evidence, motion practice and so on. Sometimes, even frequently, the process of litigation and all of its nuances leading up to a motion and/or trial and the like help leverage, craft and/or drive the necessity or desire of one or both parties to settle the case. A mutually agreeable resolution and settlement agreement are facilitated by the parties' respective lawyers. Terms of the settlement agreement require both parties consent. Absent settlement, the strategy is generally for attorney to craft for their respective clients. Finally, a settlement agreement may play a positive role in improving a consumer's credit score and history on an otherwise blemished credit report.

I hope that you have found this response helpful and that it gives you some perspective in coping with your level of anxiety and frustration concerning your discovery of the item on your credit report.

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