

STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS



DIVISION OF BANKING
LICENSED FINANCIAL SERVICES
PO Box 7876
Madison, WI 53707-7876

DISPUTED DEBT FACT SHEET

The following information should assist you in determining what steps you should take to resolve the debt in question.

Situation 1 - You receive a collection notice where you recognize the account in question, but disagree with the balance due.

Send a letter to the collection agency within 30 days of receiving your first notification of the debt indicating that you dispute the balance due. Include copies of any documentation you have to substantiate your dispute (i.e. cancelled checks, insurance statements showing payment, etc.). The collection agency should then discontinue collection efforts on the disputed portion of the debt until you receive written verification of the disputed portion.

Situation 2 - You receive a collection notice for an account you believe you do not owe.

Send a letter to the collection agency within 30 days of receiving your first notification of the debt indicating that you dispute the debt. Include a statement explaining why you believe you do not owe the debt. The collection agency should then discontinue collection efforts until you receive written verification of the debt. Once you are provided written verification, they can resume collection efforts. After the collection agency has been advised that you are disputing the debt, they may not report the debt to a consumer reporting agency without stating that it is being disputed.

Situation 3 - You receive a collection notice where you recognize the debt as a balance due on an account you thought your insurance company was going to pay.

A person receiving medical care is responsible for any debts not paid by a patient's insurance. If the insurance company has not paid a claim that you believe they are responsible for, you must work directly with the insurance company and the medical provider. Typically, the collection agency cannot assist you with this type of dispute. You should inform the collection agency that you believe the insurance company is responsible for the amount due, but this does not require the collection agency to discontinue collection efforts.

Situation 4 - You receive a collection notice where you recognize the debt as an account that you paid in full.

Send a letter to the collection agency within 30 days of receiving your first notification of the debt indicating that you dispute the debt because it has been paid in full. Include documentation of the payment (i.e. cancelled check, copy of money order, etc.). If you made your payment recently and directly to the creditor, contact the creditor to confirm that your account has been paid in full and inform them that you received a notice from a collection agency. If the creditor agrees the account is paid, they should contact the collection agency to report the status of your account.

Situation 5 – You receive your credit bureau report and note that an account that you paid several years ago is still on the report.

A creditor or merchant has the right to report an account to the credit reporting agency. Once an account has been paid, the creditor or merchant must notify the credit reporting agency that the account is paid; however, the account is not removed from your credit report at that time. If the account was in collections, it will typically be reported as a “Paid Collection Account.” If you believe an entry on your credit report is inaccurate, you should contact the credit reporting agencies. The web addresses for the three main credit reporting agencies servicing the United States are listed below. You should contact all three credit reporting agencies to ensure your report is accurate and up to date. It is important to note that only inaccurate information must be corrected or deleted from your credit report.

TransUnion.com

Experian.com

Equifax.com