

How to Remove Late Payment Dispute

Step-by-Step Guide



One late payment can knock up to 100 points off your credit scores! That is a big chunk that can easily send you into subprime credit score territory. Thus, the importance of repairing and rebuilding after a late payment is made. While you may or may not be able to have it removed from your credit reports, you can at the very least minimize the impact.

Having said that, we cannot stress enough the importance of trying to never ever make a late payment on your credit card, car, or mortgage payment. Also, every lending institution has its own version of what is a “late payment” so read your contract to make sure you are aware of the time constraints of your payments.

Your payment history is the number one factor in determining your credit score. FICO, the most popular credit scoring model in the United States, counts your payment history as 35 percent of your overall score. Vantage Score, another popular credit scoring model, counts it as 32 percent. If you have late payments on your credit report, this probably represents the biggest negative impact on your score.

And it is not very reassuring to understand that late payments are some of the most difficult accounts to get removed. The negative impact late payments have on your credit score makes getting them removed, if possible, important to an increase in your overall credit score.

You may not be able to correct every late payment or account dispute. But you won't know if you don't try. There is no magical letter or method for removing late payments or any other info.

There are some strategies and tactics that you can utilize to enhance your process. Persistence also plays a factor.

There are several ways to attack a late payment. If you are going to send a letter to the credit bureaus, I would advise addressing one maybe two late payments at a time for one account. I would advise starting with the oldest late payment(s) first (I focus on the late payments within the last 2 years as they have the most impact).

In your letters, you will want to specifically identify the late payment month and date - "I am disputing a late payment entry date on my credit report from 06/2022..." Addressing a bunch of late payments and a bunch of accounts on one letter has not been effective in my experience.

Two types of late payments – you have late payments on an open account and late payments on a closed account. I personally would focus on late payments that are less than two years old, as they have the most impact on your credit score.

Note – anytime you are disputing a negative item on an account that is closed, settled, or charged-off, the original creditor in most cases is not very motivated to validate or verify the late payment reporting. Since there isn't a real incentive to them, a lot of times the information is likely to be removed or corrected. I have seen scores go up when late payments are updated on these types of accounts. If there are multiple late payments on these types of accounts here, you might consider getting the account removed if you can.

When creating a late payment dispute letter, challenge one account per letter. If you have multiple accounts reporting late payments, mail a dispute letter for each account about 10-15 days apart. You don't want the credit bureau to view your disputes as being frivolous.

When disputing a late payment on an open account, you MUST be current and up to date with your payments. Having a low balance also helps. You can send your dispute letters to the credit bureaus asking them to verify the late payment. They will send your request to the original creditor. If the original creditor does not respond within 30-35 days, then the credit bureau will usually remove or update the late payment in question. There are other times where they do not respond, and they don't do anything. You can send a round 2 letter in response if need be.

When disputing a late payment on a closed account, you will follow the same dispute process for an open account.

Warning - when you dispute a late payment, be specific in your request, list the date of the late payment in question. Otherwise, you run the risk of the credit bureau deleting your account. If

an account is deleted from your credit report, and it is an open account, it will re-report within the next month usually. If an account is deleted from your credit report and it is a closed account, it will not re-report. You can ask the credit bureau to re-report it and you can ask the original creditor to re-report it. In this case you will have to be very persistent, most of the time neither will re-report the account.

If you send a Goodwill Letter, you are explaining in detail why the mistake or late payment occurred. Be specific. You have to remember that you are asking them to do you a favor in which they do not have to. Please see the example of a Goodwill Letter that has been provided.

You can email your Goodwill Letter to the CEO. I have seen success with this. To find the CEO's email, go to <https://www.ceoemail.com/us-companies.php>

Create your very compelling Goodwill Letter and email it to the CEO. If you do not hear back in a week or two, you might email it again. I have seen people email the CEO weekly until they got a response. Again, persistence is key, and you won't know until you try!

Process for Late Payments

1. Please note that if the account has been written off and sent to a collection agency, or charged - off, you might want to dispute the account for deletion. Once an account is in this status, the account cannot be brought back to a current status. I would focus on accounts with late payments within the last 2 years as these have the most detrimental impact to your credit scores.

2. When sending letters to credit bureaus, always include a photocopy of your driver's license, state-issued ID, or U.S. passport and a copy of your social security card, pay stub, W-2, or a recent utility bill. Only 2 forms of ID are required. As long as you have your name at the close of the letter, there is no requirement that you sign it.

3. You are NOT required to send proof of identity to creditors and collectors, and we do not recommend signing the dispute letter.

4. Discovery of facts (why you were reported late) - was it a missed payment, was it payment that bounced, was it a payment that didn't cover the minimum amount? Look back through statements or call the creditor, if need be, especially if this is a recent late payment.

Next, you'll identify what errors/mistakes (what circumstances caused the late payment) Any mistakes made by the creditor?

1. the creditor applied an annual/monthly fee to your account which led to the late payment.

2. You were locked out of online access to the account, or the creditors system was down.

3. The creditor failed to update their system to your new mailing address or email address that you had provided before

4. The creditor's phone rep took down your wrong bank account info when processing your payment.

5. You made a payment on time and the creditor failed to post it to your account.

If there was an error like these, if you can identify a creditor error, it can make it easier to contact the creditor via phone or letter, and then ask the creditor for a courtesy removal of the late payment. If they agree to remove the mistakenly reported late payment, request a letter stating they are removing the incorrect late payment from the credit report.

Any mistakes made due to extenuating circumstances?

Beware, creditors will never remove a late payment due to a financial hardship or job loss (unless you include this in a tear-jerking Goodwill letter but don't include this reason in a dispute letter to the credit bureaus).

If you can show documented proof of the extenuating circumstances that led to the late payment along with a copy of a bank statement showing a healthy balance of a few thousand dollars, then creditors may agree to remove late payments under the following circumstances:

Examples of Extenuating Circumstances or 3rd party errors:

1. You traveled while statements were being sent to your home.
2. You were hospitalized or suffering from emotional trauma.
3. There was a death or emergency in the family.
4. You had set up automatic payments through your bank, which encountered an error.
5. Your paper statements and mail were being stolen.

You can try calling the creditor first - strategically (and very politely) arguing and escalating your case (or do so after you've mailed correspondence and that hasn't worked).

A lot of credit card companies have what is called an executive resolution department. If they don't allow you to speak to the Executive Resolutions Department, then once again mail your complaint to their corporate office by certified mail, attention to their CEO. It usually takes 30 days or so for a response.

If after you have disputed 2-3 rounds for a late payment and you have not received verification from the credit bureau, another option is to submit a CFPB Complaint

<https://www.consumerfinance.gov/complaint/>

E Note - when working with template letters, it's advised that you are making modifications to tailor the wording of each letter to fit your individual situation. Sample letters are meant to give your ideas on how to structure your own credit dispute letters.

Example of how you can dispute a late payment when the payment history on that account is inconsistent:

Sample dispute:

Equifax: Remove late payments from (account name) because you are reporting a late payment of 60 days January 2020 when Experian and TransUnion are reporting 30 days late.

There is no way you can both be right when you are getting information from the same place Transunion and Experian :

remove late payments from (Account Name) because I was Not 30 days late in January 2020.

See the Late Payment Sample Letters (separate attachment) and the Dispute Reasons to get started!

Thank you for your order!

HOW TO USE THE LETTERS

1

[Click Here](#)



To get access to letters links page

2

Make a copy of the letters and save it to your computer before you used them

3

Edit the letters and send!

Credit Building Resources

Here are some helpful resources that may help you along your journey as well

[Access Here](#)

Please feel free to contact us with any questions