

Move Aside Credit Reporting Resource Guide, You're Not Authority!

Article By:

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The Credit Reporting Resource Guide ("CRRG") is a resource guide prepared by the Consumer Data Industry Association, that provides the codes for compliance with all requirements of the Fair Credit Billing Act (FCBA), Fair Credit Reporting Act (FCRA), Equal Credit Opportunity Act (ECOA) and all applicable state laws. (Learn more [here](#).) Courts in the 6th circuit have previously established that the CRRG is not dispositive on FCRA compliance.

Thus, when Plaintiff tried to use the CRRG requirements to assert that Defendant acted negligently in not changing a closed tradeline to show a "zero" balance, the Court was not impressed. In *Calvin v. Mich. First Credit Union*, No. 19-cv-11519, 2020 U.S. Dist. LEXIS 123322 (E.D. Mich. July 14, 2020), Plaintiff alleged that Michigan First violated the FCRA negligently per 15 U.S.C. § 1681o, and willfully per 15 U.S.C. § 1681n because it did not change Plaintiff's tradeline, on a closed account, to show a payment balance of zero. Ruling in favor of Defendant, the Court determined that Plaintiff failed to show that the tradeline in question is inaccurate, failed to show Defendant's alleged actions created an injury-in-fact, and failed to show negligence in Defendant's conduct.

This case was not much different from the ones routinely filed against Michigan First for inaccurate credit reporting, see the most recent one we covered [here](#). It was thus not surprising to review the Court's decision in determining that Michigan First's reporting was *not* inaccurate. Indeed, a non-zero balance on a closed account, is not, in and of itself an inaccurate reporting. The accuracy of credit information is assessed under the "materially misleading" standard test. "The fact that a layperson could be misled or that the consumer was misled is insufficient." Plaintiff here was unable to show that any "any creditor was misled....Since Plaintiff did not show that a creditor was misled by the non-zero scheduled monthly payment tradeline or that a creditor's decision was based on the non-zero scheduled monthly payment balance rather than other issues with her credit, Plaintiff failed to show Defendant's tradeline resulted in a creditor being misled."

Plaintiff tried using the CRRG to establish Michigan First's negligence. CRRG requires the monthly payment amount on closed or charged off accounts *to be changed to zero*-what Plaintiff demanded from Michigan First. However, federal laws of commerce and trade, including the FCRA, *do not* mandate perfect compliance with CRRG. Courts in the Eastern District of Michigan have concluded that CRRG *is not* industry standard AND "compliance or non-compliance with its provisions was [not] conclusive evidence of accuracy or inaccuracy." In fact, they have gone so far to

say that, “CRRG requirements are inadmissible hearsay because CRRG’s guidelines are out-of-court statements by an industry group.” Thus, Defendant’s noncompliance with the CRRG did not show negligence or willful misconduct in adherence to the FCRA.

Another win for Michigan First-despite Plaintiff’s creativity in attempting to use CRRG guidelines.

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