UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS

Jonathan Hatch v. College Ave Student Loans and Equifax Information Services, LLC

Hatch · No. 25-cv-05710 · Decided March 6, 2026

SUMMARY

The United States District Court for the Northern District of Illinois granted Equifax Information Services, LLC’s motion to dismiss claims under the Fair Credit Reporting Act. The court held that determining whether the plaintiff’s student loan debt was discharged in bankruptcy required applying bankruptcy law to facts, a legal determination outside the proper role of a consumer reporting agency, and therefore did not constitute a cognizable FCRA inaccuracy. The court dismissed the FCRA claims with prejudice and ordered plaintiff’s counsel to show cause regarding potentially nonexistent case citations.

CASE DETAILS

COURT	United States District Court for the Northern District of Illinois
WRITING FOR THE COURT	Mary M. Rowland
JURISDICTION	United States District Court for the Northern District of Illinois
DECIDED	March 6, 2026
DOCKET	25-cv-05710
DISPOSITION	dismissed
PROCEDURAL POSTURE	Plaintiff brought claims for negligent and willful violations of the Fair Credit Reporting Act under 15 U.S.C. §§ 1681i(a) and 1681e(b). Equifax moved to dismiss under Federal Rule of Civil Procedure 12(b)(6).
STANDARD OF REVIEW	On a Rule 12(b)(6) motion, the court accepts well-pleaded factual allegations as true, construes the complaint in the plaintiff's favor, and determines whether the complaint states a plausible claim for relief. The court may consider documents attached to or critical to and referenced in the complaint, as well as matters subject to proper judicial notice.
PRECEDENTIAL VALUE	unpublished district court opinion; precedential status unknown

PARTIES

Jonathan Hatch v. College Ave Student Loans, Equifax Information Services, LLC

TOPICS

credit reporting · nondischargeable debts · bankruptcy · motions to dismiss · sanctions

PRACTICE AREAS

Fair Credit Reporting Act · consumer credit reporting · bankruptcy dischargeability · federal civil procedure · attorney sanctions

QUESTIONS PRESENTED

1. Whether Hatch stated a cognizable FCRA claim under 15 U.S.C. §§ 1681i(a) or 1681e(b) based on Equifax's reporting of the student-loan account as open and delinquent after Hatch's Chapter 7 bankruptcy.
2. Whether the alleged inaccuracy was actionable when determining the account's dischargeability required applying bankruptcy law, including the undue-hardship exception for student loans.

HOLDINGS

1. A plaintiff cannot state a claim under 15 U.S.C. § 1681i(a) or § 1681e(b) without alleging a factual inaccuracy in the consumer report. An alleged inaccuracy that turns on applying bankruptcy law to determine whether a student loan was discharged is a legal determination outside the purview of a consumer reporting agency and is not cognizable under the FCRA.

KEY QUOTATIONS

> *"The central question is "whether the alleged inaccuracy turns on applying law to facts or simply examining the facts alone.""*

> *"Questions that "constitute legal determinations [are] solely within the purview of courts, not CRAs.""*

> *"This application of law to facts is outside the competency of a CRA like Equifax."*

FACTUAL BACKGROUND

Hatch opened a student-loan account with College Ave in 2019 and filed Chapter 7 bankruptcy in Idaho in 2022. He alleged that the account was discharged in February 2023, but Equifax continued reporting it as open, delinquent, and subject to late payments while omitting a notation that it was included in bankruptcy. Hatch disputed the reporting and provided bankruptcy documents, but Equifax requested additional documentation. The bankruptcy materials cautioned that most student loans are not discharged, and the complaint did not allege that a bankruptcy court had made an undue-hardship determination concerning the loan.

PROCEDURAL HISTORY

Hatch alleged that Equifax inaccurately reported a student-loan account as open and delinquent after his Chapter 7 bankruptcy and discharge. Equifax moved to dismiss the FCRA claims, arguing that determining whether the student loan was discharged required applying bankruptcy law and was not a cognizable inaccuracy for purposes of the FCRA. The court granted the motion and dismissed Counts III through VI with prejudice, while separately ordering plaintiff's counsel to show cause concerning potentially nonexistent authorities cited in briefing.

DISPOSITION

dismissed

CASES CITED

- Lax v. Mayorkas, 20 F.4th 1178, 1181 (7th Cir. 2021)
- Geinosky v. City of Chicago, 675 F.3d 743, 745 n.1 (7th Cir. 2012)
- Haywood v. Massage Envy Franchising, LLC, 887 F.3d 329, 333 (7th Cir. 2018)
- Camasta v. Jos. A. Bank Clothiers, Inc., 761 F.3d 732, 736 (7th Cir. 2014)
- Sevugan v. Direct Energy Services, LLC, 931 F.3d 610, 614 (7th Cir. 2019)
- Bell v. City of Chicago, 835 F.3d 736, 738 (7th Cir. 2016)
- Bell Atlantic Corp. v. Twombly, 550 U.S. 544, 558 (2007)
- McCauley v. City of Chicago, 671 F.3d 611, 616 (7th Cir. 2011)
- Ashcroft v. Iqbal, 556 U.S. 662, 679 (2009)
- Safeco Insurance Co. of America v. Burr, 551 U.S. 47, 52 (2007)
- Chuluunbat v. Equifax Information Solutions, Inc., 4 F.4th 562, 566-68 (7th Cir. 2021)
- Denan v. Trans Union LLC, 959 F.3d 290, 292, 296-97 (7th Cir. 2020)
- Grenadyor v. Discovery Financial Services, 2024 WL 1254572, at *2 (N.D. Ill. Mar. 25, 2024)
- Tennessee Student Assistance Corp. v. Hood, 541 U.S. 440, 450 (2004)
- Mader v. Equifax Information Solutions, Inc., 56 F.4th 264, 270 (2d Cir. 2023)
- Williams v. Equifax, 2025 WL 1733183, at *5 (N.D. Ga. June 17, 2025)
- Johnson v. TransUnion, No. 1:22-CV-02533-JPB-JKL, 2023 WL 6035573, at *4 (N.D. Ga. Aug. 11, 2023)
- DeAndrade v. Trans Union LLC, 523 F.3d 61, 68 (1st Cir. 2008)
- Horan v. Equifax Information Services, LLC, No. 8:20-cv-02187-PWG, 2022 WL 2190906 (D. Md. June 17, 2022)
- Jones v. TransUnion, LLC, No. 1:15-cv-00489, 2015 WL 7566685 (N.D. Ill. Nov. 24, 2015)