UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF TEXAS

Courtney Yackel et al. v. Rocket Mortgage, LLC

Yackel · No. 6:25-cv-00468 · Decided March 2, 2026

SUMMARY

The United States District Court for the Eastern District of Texas reviews objections to a magistrate judge's report recommending dismissal of claims against Rocket Mortgage, LLC. The court holds that documents attached to the complaint established a permissible purpose for obtaining Joel Yackel's credit report under the Fair Credit Reporting Act and that amendment would be futile. Courtney Yackel's FCRA claims are dismissed without prejudice for lack of standing, Joel Yackel's FCRA claims are dismissed with prejudice for failure to state a claim, and the state-law claims are dismissed without prejudice for lack of pendent jurisdiction.

CASE DETAILS

COURT	United States District Court for the Eastern District of Texas
WRITING FOR THE COURT	Campbell Barker
JURISDICTION	United States District Court for the Eastern District of Texas
DECIDED	March 2, 2026
DOCKET	6:25-cv-00468
DISPOSITION	dismissed
PROCEDURAL POSTURE	Plaintiffs objected to a magistrate judge's report and recommendation recommending dismissal of their claims. The district court reviewed the objected-to portions de novo, overruled the objections, accepted the report in part, and granted the motion to dismiss in part.
STANDARD OF REVIEW	Objected-to portions of a magistrate judge's report and recommendation are reviewed de novo under 28 U.S.C. § 636(b)(1)(C) and Federal Rule of Civil Procedure 72(b)(3). General or improper objections need not receive de novo review, and unobjected portions are reviewed for clear error on the face of the record. A complaint is evaluated for plausibility under Federal Rule of Civil Procedure 12(b)(6), accepting well-pleaded allegations unless documents attached to and central to the complaint contradict them.
PRECEDENTIAL VALUE	unpublished district court order; nonprecedential

PARTIES	Courtney Yackel, Joel Yackel v. Rocket Mortgage, LLC

TOPICS

credit reporting · motions to dismiss · standing · consumer protection · deceptive trade practices

PRACTICE AREAS

Civil procedure · Consumer protection · Fair Credit Reporting Act

QUESTIONS PRESENTED

1. Whether the magistrate judge improperly resolved factual disputes at the motion-to-dismiss stage by relying on documents attached to the complaint.
2. Whether authorization to obtain a credit report established a permissible purpose under the FCRA on the facts alleged and shown by the complaint's attachments.
3. Whether the district court should consider plaintiffs' objections based on arguments allegedly raised for the first time in the defendant's reply.
4. Whether plaintiffs should be granted leave to amend their claims.
5. Whether the state-law claims should be dismissed without prejudice for lack of pendent jurisdiction after dismissal of the federal claims.

HOLDINGS

1. At the motion-to-dismiss stage, the court may consider documents attached to the complaint that are central to the claim and referenced by the complaint, and may disregard allegations contradicted by facts established by those documents.
2. On the facts alleged and shown by the complaint's attachments, Rocket Mortgage had a permissible purpose to obtain Joel Yackel's credit report because he authorized the credit pull in connection with a loan application that remained under consideration.
3. Leave to amend was properly denied as futile where the documents already submitted by plaintiffs contradicted the allegations and established that the FCRA claim would remain subject to dismissal.
4. When all federal claims are dismissed before trial, pendent state-law claims generally should be dismissed without prejudice.

KEY QUOTATIONS

> *"However, as explained above, the documents attached to the complaint show that defendant was still considering plaintiffs' loan application when it obtained the credit report."* (Opinion at 3)

> *"When a court dismisses all federal claims before trial, the general rule is to dismiss any pendent claims."* (Opinion at 6)

FACTUAL BACKGROUND

Plaintiffs alleged that Rocket Mortgage violated the FCRA by obtaining Joel Yackel's credit report without a permissible purpose, and also asserted DTPA and negligent-misrepresentation claims. The complaint and attached documents showed that Joel Yackel authorized Rocket Mortgage to obtain his credit report in connection with a loan application and that Rocket Mortgage was still considering the application when it obtained the report. The attached documents therefore contradicted the allegation that Rocket Mortgage lacked a permissible purpose.

PROCEDURAL HISTORY

Plaintiffs asserted claims under the Fair Credit Reporting Act, the Texas Deceptive Trade Practices Act, and for negligent misrepresentation. Rocket Mortgage moved to dismiss, asserting lack of standing as to some claims and failure to state a claim as to others. The magistrate judge recommended dismissal of Courtney Yackel's claims without prejudice for lack of standing and Joel Yackel's federal and state-law claims with prejudice for failure to state a claim. The district court dismissed Courtney Yackel's FCRA claims without prejudice for lack of standing, Joel Yackel's FCRA claims with prejudice for failure to state a claim, and all state-law claims without prejudice for lack of pendent jurisdiction.

DISPOSITION

dismissed

CASES CITED

- Vettles v. Wainwright, 677 F.2d 404, 410 n.8 (5th Cir. Unit B 1982) (en banc)
- Douglass v. United Services Automobile Association, 79 F.3d 1415 (5th Cir. 1996) (en banc)
- Cupit v. Whitley, 28 F.3d 532, 535 & n.5 (5th Cir. 1994)
- Ashcroft v. Iqbal, 556 U.S. 662, 679 (2009)
- Lone Star Fund V (U.S.), L.P. v. Barclays Bank PLC, 594 F.3d 383, 387 (5th Cir. 2010)
- Colins v. Morgan Stanley Dean Witter, 224 F.3d 496, 498-99 (5th Cir. 2000)
- Martinez v. Reno, No. 3:97-cv-00813, 1997 WL 786250, at *2 (N.D. Tex. Dec. 15, 1997)
- Nishimatsu Construction Co. v. Houston National Bank, 515 F.2d 1200, 1206 (5th Cir. 1975)
- Nayab v. Capital One Bank, 942 F.3d 480, 496-99 (9th Cir. 2019)
- Rodriguez v. Your First Choice, LLC, No. 2:16-cv-02447, 2017 WL 4855406, at *4 (D. Nev. Oct. 25, 2017)
- Ariyan, Inc. v. Sewerage & Water Board of New Orleans, 29 F.4th 226, 232 (5th Cir. 2022)
- Varela v. Gonzales, 773 F.3d 704, 707 (5th Cir. 2014) (per curiam)
- Wilson v. Grest, No. 2:17-cv-02997, 2017 WL 4998651, at *4 (E.D. La. Nov. 2, 2017)
- Bass v. Parkwood Hospital, 180 F.3d 234, 246 (5th Cir. 1999)

OPINION

UNITED STATES DISTRICT COURT EASTERN DISTRICT OF TEXAS No. 6:25-cv-00468 Courtney Yackel et al., Plaintiffs, V. Rocket Mortgage, LLC, Defendant. ORDER Plaintiffs brought this action for alleged violations of the Fair Credit Reporting Act (FCRA) and the Texas

Deceptive Trade Practices Act (DTPA) as well as for alleged negligent misrepre- sentations. Doc. 1 at 6-8.

The case was referred to a magistrate judge. Defendant moved to dismiss all claims in this action, some for lack of standing and the others for failure to state a claim. Doc. 13. The magistrate judge issued a report recommending that de- fendant's motion be granted. Doc. 17 at 16. Specifically, the mag- istrate judge recommended that plaintiff Courtney Yackel's claims be dismissed without prejudice for lack of standing and that plaintiff Joel Yackel's federal and state-law claims be dis- missed with prejudice for failure to state a claim.

Jd. Plaintiff filed written objections to the report. Doc. 18. The court reviews the objected-to portions of a magistrate judge's report and recommendation de novo. 28 U.S.C. § 636(b)(1)(C); Fed. R. Civ. P. 72(b)(3).

However, the "objections must specifically identify those findings objected to. Frivolous, conclusive or general objections need not be considered by the district court." Vettles ». Wainwright, 677 F.2d 404, 410 n.8 (5th Cir. Unit B 1982) (en banc), overruled on other grounds by Douglass vy. United Servs. Auto. Ass'n, 79 F.3d 1415 (5th Cir. 1996) (en banc).

Furthermore, a party's entitlement to de novo review does not en- title it to raise arguments that were not presented to the magis- trate judge without a compelling reason. See Cupit v. Whitley, 28 -l- F.3d 532, 535 & n.5 (5th Cir. 1994). When there have been no timely objections to a report, or the objections are improper, "the court need only satisfy itself that there is no clear error on the face of the record." Fed.

R. Civ. P. 72(b), advisory committee's notes to 1983 amendment. I. First objection Plaintiffs object that the magistrate judge resolved a factual dispute in defendant's favor, which is improper at the motion-to- dismiss stage. Doc. 18 at 2–3.

The complaint alleged that defendant violated 15 U.S.C. § 1681b by obtaining Joel Yackel's credit report without a permis- sible purpose. Doc. 1 at 6. After considering the complaint and the various documents attached to it, the magistrate judge concluded that plaintiff authorized defendant to obtain the credit report and that defendant's conduct was within the scope of that authoriza- tion.

Doc. 17 at 9–10; see also Docs. 1-7 at 2, 2-13 at 2. Plaintiffs argue that the magistrate judge improperly resolved disputed facts regarding defendant's intent in contravention of the governing standard created by Federal Rule of Civil Procedure 12. Doc. 18 at 2–3.

However, when "[d]etermining whether a complaint states a plausible claim," the court "draw[s] on its judi- cial experience and commons sense." Ashcroft v. Iqbal, 556 U.S. 662, 679 (2009). Moreover, the court may review and consider documents attached to the complaint that are central to the claim and referenced by the complaint. Lone Star Fund V (U.S.), L.P. v. Barclays Bank PLC, 594 F.3d 383, 387 (5th Cir.

2010); Colins v. Morgan Stanley Dean Witter, 224 F.3d 496, 498–99 (5th Cir. 2000). If "the allegations in the complaint are contradicted by facts established by" such documents, "the court may properly disregard the allegations." Martinez v. Reno, No. 3:97-cv-00813, 1997 WL 786250, at *2 (N.D. Tex. Dec. 15, 1997) (citing Nishi- matsu Const. Co. v. Hou. Nat'l Bank, 515 F.2d 1200, 1206 (5th Cir.

1975)). Here, the magistrate judge correctly concluded that plaintiffs' first FCRA claim was implausible based on the documents attached to the complaint. Contrary to the facts alleged in the complaint, the attached documents show that Joel Yackel author- ized defendant to obtain his credit report in connection with his loan application and that defendant was still considering the ap- plication when it obtained the report.

Docs. 1-7 at 2, 2-13 at 2. Thus, because the attachments contradicted plaintiffs' factual al- legations, the magistrate judge properly disregarded those allega- tions. Accordingly, plaintiffs' first objection is overruled. II.

Second objection In their second objection, plaintiffs argue that consent to ob- tain a credit report does not automatically establish that the report was obtained in compliance with the FCRA. Doc. 18 at 3, 6 (citing Nayab v. Capital One Bank, 942 F.3d 480 (9th Cir. 2019) and Ro- driguez v. Your First Choice, LLC, No. 2:16-cv-02447, 2017 WL 4855406, at *4 (D.

Nev. Oct. 25, 2017)). They further argue that defendant, despite authorization, did not have a permissible rea- son to obtain Joel Yackel's credit report because defendant had already decided to deny the credit application. Doc. 18 at 3. Plaintiffs are correct that a defendant may violate the FCRA even if it has permission to obtain a plaintiff's credit report.

How- ever, as explained above, the documents attached to the complaint show that defendant was still considering plaintiffs' loan applica- tion when it obtained the credit report. As Joel Yackel authorized defendant to pull his credit report in connection with his loan ap- plication, defendant acted with a permissible purpose.

Moreover, the cases cited in the objections involve facts fun- damentally different than those of this case. The plaintiffs in both cases alleged that any access to their credit report occurred out- side the bounds of an existing relationship or agreement between the parties. See Nayab, 942 F.3d at 496–99; see also Rodriguez, 2017 WL 4855406, at *4.

In contrast, plaintiffs pleaded facts and filed documents demonstrating that Joel Yackel did have an existing re- lationship with defendant at the time his credit report was pulled. Docs. 1 at 2–6, 1-3 at 1–10, 1-7 at 2, 2-13 at 2. Plaintiffs have not cited any cases with facts similar to their own in which the defend- ant was found to have acted unlawfully in obtaining a credit report.

Accordingly, plaintiffs' second objection is overruled. III. Third objection Plaintiffs also object that the magistrate judge relied on argu- ments made for the first time in defendant's reply, which plaintiffs had no opportunity to respond to. Doc. 18 at 4–5.

However, as explained above, the magistrate judge's conclusion that the FCRA claim was implausible was based on the complaint and the various documents attached to it. In other words, the magistrate judge reached that conclusion independently of defendant's reply.

Accordingly, plaintiffs' third objection is overruled. IV. Fourth objection In their final objection, plaintiffs argue that their claims should not be dismissed with prejudice and that they should be given an opportunity to replead. Doc. 18 at 5–8. Plaintiffs do not object to the dismissal of their negligent-misrepresentation claim, their claim under § 1681m, or their DTPA claims.

Id. at 5. How- ever, plaintiffs contend that, if allowed to replead, they could al- lege facts sufficient to show that defendant obtained Joel Yackel's credit report without a permissible purpose. Id. at 6. Federal Rule of Civil Procedure 15(a)(2) states that district courts should freely grant leave to amend when "justice so re- quires." However, the court may deny leave to amend if an amendment would be futile.

Ariyan, Inc. v. Sewerage & Water Bd. of New Orleans, 29 F.4th 226, 232 (5th Cir. 2022). An amendment is futile when "the complaint as amended would be subject to dis- missal." Varela v. Gonzales, 773 F.3d 704, 707 (5th Cir. 2014) (per curiam) (citation omitted).

Here, plaintiffs have already submitted documentary evidence that contradicts their allegations and indicates that defendant ob- tained Joel Yackel's credit report in connection with defendant's consideration of his loan application. See Docs. 1-7 at 2, 2-13 at 2; see also Docs. 1-3, 2-9, 2-10. Additional facts would not overcome the exhibits that plaintiffs have already provided, so plaintiffs' amended complaint would still be subject to dismissal.

See Wilson v. Grest, No. 2:17-cv-02997, 2017 WL 4998651, at *4 (E.D. La. Nov. 2, 2017) (holding that any amendment to plaintiff's com- plaint would be futile because "plaintiff's allegations [were] con- tradicted by the documentary evidence").

Because the attached exhibits contradict plaintiffs' allegations, the court finds that granting leave to amend would be futile. Plaintiffs also appear to suggest that allowing leave to amend would give plaintiffs an opportunity to plead additional facts and demonstrate that both plaintiffs have standing to proceed in this case. Doc. 18 at 6–8.

However, plaintiffs only address why Joel Yackel has standing, which was never questioned by defendant or the magistrate judge. Thus, plaintiffs fail to specifically identify the findings or reasoning they object to.

Accordingly, plaintiff's fourth objection is overruled. V. Conclusion Having reviewed the report de novo and being satisfied that there is no error, the court accepts the report's findings and recommendations in part.

The court grants defendant's motion to dismiss (Doc. 13) in part. Courtney Yackel's claims under the FCRA are dismissed without prejudice for lack of standing. Joel Yackel's claims under the FCRA are dismissed with prejudice for failure to state a claim.

However, contrary to defendant's request and the recommendation of the magistrate judge, the court dis- misses all state law claims in this action without prejudice for lack of pendent jurisdiction. Bass v. Parkwood Hosp., 180 F.3d 234, 246 (5th Cir. 1999) ("When a court dismisses all federal claims before trial, the general rule is to dismiss any pendent claims.

However, the dismissal... should expressly be without prejudice...." (ci- tation omitted)). So ordered by the court on March 2, 2026. CAMPBELL BARKER United States District Judge -6-