UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF ILLINOIS

Joseph Mixen v. Navient Solutions, LLC, and Trans Union, LLC

Mixen · No. 3:24-CV-1471-NJR · Decided December 9, 2025

SUMMARY

The court grants in part and denies in part Navient Solutions, LLC's motion to dismiss Joseph Mixen's Second Amended Complaint, with Trans Union having joined the motion. The court allows Mixen's Fair Credit Reporting Act claims concerning the reporting of his private student loans to proceed, concluding that he adequately alleged inaccurate or incomplete reporting despite bankruptcy proceedings. The court dismisses without prejudice his declaratory judgment claim under the Holder Rule because the anticipated collection dispute was not sufficiently immediate and the alleged underlying claims against ITT Technical Institute were conclusory.

CASE DETAILS

COURT	United States District Court for the Southern District of Illinois
WRITING FOR THE COURT	Nancy J. Rosenstengel
JURISDICTION	United States District Court for the Southern District of Illinois
DECIDED	December 9, 2025
DOCKET	3:24-CV-1471-NJR
DISPOSITION	other
PROCEDURAL POSTURE	Defendants moved under Federal Rule of Civil Procedure 12(b)(6) to dismiss the Second Amended Complaint in an action alleging violations of the Fair Credit Reporting Act and seeking declaratory and injunctive relief.
STANDARD OF REVIEW	On a Rule 12(b)(6) motion, the court accepts well-pleaded factual allegations as true, draws reasonable inferences in the plaintiff's favor, and determines whether the complaint states a facially plausible claim for relief. Attached or referenced exhibits central to the claims may also be considered.
PRECEDENTIAL VALUE	unpublished district court memorandum and order; persuasive only

TOPICS

credit reporting · motions to dismiss · bankruptcy · declaratory judgment · consumer protection

PRACTICE AREAS

consumer credit reporting · bankruptcy · civil procedure · declaratory relief · student loans

QUESTIONS PRESENTED

1. Whether Mixen adequately alleged that Navient provided incomplete or inaccurate information to credit bureaus, as required for an FCRA claim under 15 U.S.C. § 1681s-2(b).
2. Whether Mixen adequately alleged that Trans Union failed to reasonably investigate and correct disputed credit-report information under 15 U.S.C. § 1681i.
3. Whether Mixen's request for a declaration that his private student loans were unenforceable presented a sufficiently immediate and concrete controversy under Article III and the Declaratory Judgment Act.
4. Whether Mixen sufficiently pleaded an underlying breach-of-contract or fraud claim against ITT Tech that could be asserted against Navient under the FTC Holder Rule.

HOLDINGS

1. The Second Amended Complaint adequately alleged that Navient reported incomplete or inaccurate information by reporting substantial balances on the private loans despite the bankruptcy court's disallowance of the remaining claim balances and subsequent discharge. The FCRA counts therefore survived the motion to dismiss.
2. The request for a declaration that Navient's private student loans were unenforceable was not sufficiently immediate or concrete to satisfy Article III and the Declaratory Judgment Act because it sought to predetermine defenses to a possible future collection action.
3. Even if the declaratory-judgment claim had been ripe, Mixen failed to plead facts showing that ITT Tech committed breach of contract or fraud that could be asserted against Navient under the FTC Holder Rule.

KEY QUOTATIONS

> *“Because Mixen has made a prima facie showing that Navient provided incomplete or inaccurate information when it reported Mixen’s loans as charged off with substantial amounts owing, despite the bankruptcy court’s Order of Discharge, the Court declines to dismiss Counts I and II of the Second Amended Complaint.”*

> *“This potential action is not sufficiently immediate to warrant the issuance of a declaratory judgment.”*

FACTUAL BACKGROUND

Before 2019, Mixen had eight student loans serviced by Navient, including six private loans and two Federal Family Education Loans used to attend ITT Technical Institute. After Mixen filed Chapter 13 bankruptcy, Navient filed proofs of claim; the bankruptcy court later disallowed the unpaid balances on the six private-loan claims, and Mixen received a Chapter 13 discharge. Navient nevertheless reported the private loans as charged off with substantial balances, and after the credit bureaus investigated Mixen's dispute, Navient verified the reporting. Mixen then brought FCRA claims against Navient and Trans Union and sought a declaration that the private loans were unenforceable under the FTC Holder Rule.

PROCEDURAL HISTORY

Mixen filed for Chapter 13 bankruptcy in 2019. Navient filed proofs of claim for eight student loans; after Mixen objected, the bankruptcy court disallowed the unpaid balances on six private-loan claims, and the Chapter 13 case culminated in an order of discharge. Mixen later sued Navient and Trans Union over credit reporting concerning those loans and sought a declaration that the private loans were unenforceable. The district court denied dismissal of the FCRA counts, dismissed the declaratory-judgment count without prejudice, lifted the discovery stay, and directed the parties to submit a proposed amended scheduling order.

DISPOSITION

other

CASES CITED

- Richards v. Mitcheff, 696 F.3d 635, 637 (7th Cir. 2012)
- Burke v. 401 N. Wabash Venture, LLC, 714 F.3d 501, 504 (7th Cir. 2013)
- Bell Atlantic Corp. v. Twombly, 550 U.S. 544, 570 (2007)
- Esco v. City of Chicago, 107 F.4th 673, 678 (7th Cir. 2024)
- Bogie v. Rosenberg, 705 F.3d 603, 609 (7th Cir. 2013)
- Frazier v. Dovenmuehle Mortg., Inc., 72 F.4th 769, 775-76 (7th Cir. 2023)
- Bullard v. Blue Hills Bank, 575 U.S. 496, 502-03 (2015)
- United Student Aid Funds, Inc. v. Espinosa, 559 U.S. 260, 263-64, 275 (2010)
- In re Diaz, 647 F.3d 1073, 1089-90 (11th Cir. 2011)
- Smith v. ComputerTraining.Com, Inc., 531 F. App'x 713, 714 (6th Cir. 2013)
- Amling v. Harrow Indus. LLC, 943 F.3d 373, 377-78 (7th Cir. 2019)
- MedImmune, Inc. v. Genentech, Inc., 549 U.S. 118, 127 (2007)

INSTRUCTIONS FOR AN AI ASSISTANT

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