UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY
TRENTON VICINAGE

EARL H. BURKE,

Plaintiff,

v.

CMG MORTGAGE, INC.; EXPERIAN INFORMATION SOLUTIONS, INC.; TRANS UNION LLC; and EQUIFAX INFORMATION SERVICES LLC,

Defendants.

Civil Action No.: 26-cv-9022

COMPLAINT

JURY TRIAL DEMANDED

Plaintiff Earl H. Burke ("Plaintiff" or "Mr. Burke"), by and through undersigned counsel, brings this action against Defendants CMG Mortgage, Inc. ("CMG"), Experian Information Solutions, Inc. ("Experian"), Trans Union LLC ("Trans Union"), and Equifax Information Services LLC ("Equifax") (Experian, Trans Union, and Equifax together, the "CRA Defendants"), and alleges as follows:

PRELIMINARY STATEMENT

1. This case is about a mortgage servicer that punishes homeowners for doing exactly what it tells them to do. CMG offers FHA borrowers a lifeline—a three-month "Trial Period Plan" that, if completed, ripens into a permanent loan modification.

2. CMG does not tell such homeowners that they will be reported as "delinquent" for complying with the trial payments their lender instructs. The best CMG does is, in a standardized form letter, state that it "will continue to report the delinquency status" of the loan during the trial payment period.

3. CMG also tells such homeowners, confusingly, that "CREDIT SCORING COMPANIES MAY CONSIDER WHETHER THERE IS AN INCREASED CREDIT RISK DUE TO THE LACK OF REPORTING. WE ARE UNCERTAIN AS TO THE IMPACT ON YOUR CREDIT SCORE, PARTICULARLY IF YOU ARE CURRENT ON YOUR MORTGAGE OR OTHERWISE HAVE A GOOD CREDIT SCORE."

4. The term "delinquency status" is so ambiguous as to be effectively meaningless. A slightly delinquent loan might have a "delinquency status" of "30-days late." But a current loan has a "delinquency status," too: "not delinquent." Telling borrowers that CMG will "continue" to report the "delinquency status" gives them no notice whatsoever that the loan will actually be reported as delinquent or derogatory, particularly where, as with Plaintiff, the only thing that could have been "continue[d]" to be reported is a "not delinquent/current" status, because the loan was not delinquent at the time of the modification agreement.

5. Furthermore, the above-quoted capital-letter comment that follows, which indicates that the borrower may face "LACK OF REPORTING" rather than adverse reporting, adds further to the confusion. CMG's statement, that "WE ARE UNCERTAIN AS TO THE IMPACT ON YOUR CREDIT SCORE," underscores that borrowers like Plaintiff, too, are left "uncertain" at best as to the impact the loan modification will have on their credit score.

6. But CMG knows full well that under this repayment program, borrowers like Plaintiff will be indeed reported as delinquent, and the tradeline will indeed end up in a derogatory status. There is no "uncertain[ty]" about it.

7. What CMG should tell borrowers is that, in sum and substance, during the loan modification trial payment period, it "will (nonetheless) report your loan as delinquent" even if the consumer follows the instructions given to him or her by CMG.

8. Indeed, other industry providers, including CMG itself, use clear language in other loan modifications and forbearance documents.

9. What the form letter does not say is that because the instructed trial payments are smaller than the contractual installment, every borrower who makes the payments CMG prescribes, on the schedule CMG sets, is driven mechanically deeper into reported delinquency—30, then 60, then 90, and up to 120 days past due. Per CMG's procedures, there is no uncertainty about it: complying with the agreement guarantees the derogatory credit reporting. The "delinquency status" is not "continued." Rather, an erstwhile-current loan is escalated into deeper and deeper delinquency, month after month, as a direct consequence of performance.

10. CMG knows how to promise the truth when it wants to. In its own 2022 partial-claim form letter, with respect to *forbearance*, CMG told this very Plaintiff that if a loan "was delinquent at the start of forbearance, it will remain at the same delinquent status throughout the partial claim process." The trial-modification form at issue here conspicuously says no such thing and no equivalent. It says only that CMG will "continue to report the delinquency status," language a reasonable homeowner understands as a promise of the status quo—***not* delinquent** if erstwhile current, delinquent only if erstwhile delinquent. "We will continue to report the delinquency status" is not a warning of escalating credit ruin, especially where nowhere else does the agreement state that complying with the trial payments is considered "delinquent" in any way.

11. The form letter compounds the deception by attributing the reporting to "the requirements of the Fair Credit Reporting Act and the Consumer Data Industry Association requirements." That, too, is false. The FCRA does not require a servicer to furnish anything whatsoever to the credit bureaus, let alone delinquent payments during a modification trial period. CMG's own letter concedes that it suspends credit reporting entirely for trial modifications in federally declared

disaster areas and foretells of "LACK OF REPORTING" rather than adverse reporting. Indeed, CMG in fact exercised its discretion to "suppress" Mr. Burke's adverse reporting of a single month, February 2026, three months too late and without curing prior months.

12. Mr. Burke performed perfectly. CMG admits it: "The trial plan was kept." Yet for the very months in which he tendered every payment CMG instructed—payments CMG accepted and kept—CMG reported him to the credit bureaus as 30, 60, and 90 days (and, on information and belief, up to 120 days) delinquent and detonated his credit at the precise moment he was buying a new home for his family with a locked promotional interest rate, and while he held a federal security clearance subject to continuous financial vetting.

13. When Mr. Burke disputed the reporting to Experian, Trans Union, and Equifax with CMG's own documents—the trial-plan letter and CMG's own payment history—the CRA Defendants parroted CMG's verification and left every disputed delinquency rating on his file, and CMG, for its part, "determined that no adjustments are warranted." The CRA Defendants did so despite prior guidance from the Seventh Circuit in a similar circumstance, as cited below.

14. Plaintiff brings individual claims under the Fair Credit Reporting Act, 15 U.S.C. § 1681 et seq. ("FCRA"), against CMG under § 1681s-2(b) and against the CRA Defendants under §§ 1681i and 1681e(b); individual claims against CMG under the New Jersey Consumer Fraud Act, N.J.S.A. 56:8-1 et seq. ("NJCFA") and for common-law intentional and negligent misrepresentation, and, in the alternative, under the Maryland Consumer Protection Act.

PARTIES

15. Plaintiff Earl H. Burke is a natural person residing in Waldorf, Charles County, Maryland. He is a "consumer" as that term is defined by 15 U.S.C. § 1681a(c), and a "person" and "consumer" within the meaning of the NJCFA, N.J.S.A. 56:8-1(d).

16. Defendant CMG Mortgage, Inc., is a mortgage lender and servicer. CMG services Plaintiff's FHA-insured residential mortgage loan and conducts its loan-servicing, loss-mitigation, payment-processing, and borrower-correspondence operations from Ewing, New Jersey, including at 425 Phillips Blvd., Ewing, NJ 08618 and post-office boxes 77404, 77408, and 77423 in Ewing, New Jersey, from which the form letters at issue in this action were sent and to which Plaintiff was directed to send his trial payments, qualified written requests, and loss-mitigation documents.

17. CMG furnishes information about consumers, including Plaintiff, to consumer reporting agencies, and is a "furnisher" of information within the meaning of 15 U.S.C. § 1681s-2. CMG is also a "person" as defined by N.J.S.A. 56:8-1(d) engaged in the "subsequent performance" of consumer transactions: the servicing, collection, and loss mitigation of residential mortgage loans.

18. Defendant Experian Information Solutions, Inc. is an Ohio corporation with its principal place of business in Costa Mesa, California, doing business in this District. Experian is a "consumer reporting agency" as defined by 15 U.S.C. § 1681a(f) and compiles and maintains files on consumers on a nationwide basis, 15 U.S.C. § 1681a(p).

19. Defendant Trans Union LLC is a Delaware limited liability company with its principal place of business in Chicago, Illinois, doing business in this District. Trans Union is a "consumer reporting agency" as defined by 15 U.S.C. § 1681a(f) and compiles and maintains files on consumers on a nationwide basis, 15 U.S.C. § 1681a(p).

20. Defendant Equifax Information Services LLC is a Georgia limited liability company with its principal place of business in Atlanta, Georgia, doing business in this District. Equifax is a "consumer reporting agency" as defined by 15 U.S.C. § 1681a(f) and compiles and maintains files on consumers on a nationwide basis, 15 U.S.C. § 1681a(p).

JURISDICTION AND VENUE

21. This Court has subject-matter jurisdiction over the FCRA claims under 28 U.S.C. § 1331 and 15 U.S.C. § 1681p.

22. The Court has supplemental jurisdiction over the state-law claims under 28 U.S.C. § 1367 because they arise from the same common nucleus of operative fact as the FCRA claims.

23. This Court has personal jurisdiction over CMG because CMG operates its loan-servicing, loss-mitigation, and borrower-correspondence functions from Ewing, New Jersey; drafted and mailed the form letters at issue from New Jersey; directed Plaintiff to remit his trial payments to Ewing, New Jersey; and thereby purposefully availed itself of the privilege of conducting activities in this State. The Court has personal jurisdiction over the CRA Defendants because each regularly conducts business in New Jersey and maintains consumer files on New Jersey residents.

24. Venue is proper in this District under 28 U.S.C. § 1391(b)(2) because a substantial part of the events giving rise to the claims occurred in this District: the deceptive form letters were prepared and sent from, and the trial payments were received and processed in, Ewing, New Jersey.

STATUTORY AND REGULATORY FRAMEWORK

The FCRA's Accuracy, Reinvestigation, and Furnisher Duties

25. Congress enacted the FCRA "to require that consumer reporting agencies adopt reasonable procedures for meeting the needs of commerce for consumer credit . . . in a manner which is fair and equitable to the consumer, with regard to the confidentiality, accuracy, relevancy, and proper utilization of such information." 15 U.S.C. § 1681(b).

26. Section 1681e(b) requires that "[w]henever a consumer reporting agency prepares a consumer report it shall follow reasonable procedures to assure maximum possible accuracy of the information concerning the individual about whom the report relates." 15 U.S.C. § 1681e(b).

27. Information in a consumer report is "inaccurate" under the FCRA not only when it is patently incorrect, but also when it is "misleading in such a way and to such an extent that it can be expected to adversely affect credit decisions." *Seamans v. Temple Univ.*, 744 F.3d 853, 864 (3d Cir. 2014).

28. Reporting a consumer as progressively delinquent for months in which he timely made every payment required by a servicer-directed trial payment plan is precisely such misleading reporting. *See Chaitoff v. Experian Info. Sols.*, Inc., 79 F.4th 800, 810 (7th Cir. 2023) (quoting a servicer trial-period-plan letter stating that the servicer "would continue to report the delinquency status of [the borrower's] loan to credit reporting agencies as well as [his] entry into a Trial Period Plan," and holding that a report showing delinquency while omitting the consumer's trial period plan is inaccurate under §§ 1681e(b) and 1681i); *Pittman v. Experian Info. Sols.*, 901 F.3d 619, 639 (6th Cir. 2018) (delinquency reported without the trial plan "implies a much greater degree of financial irresponsibility"). Each Defendant is actually, or should be, aware of the *Chaitoff* and *Pittman* decisions.

29. Section 1681i requires that, upon a consumer's dispute, a consumer reporting agency conduct a reasonable reinvestigation, free of charge, generally within thirty days, and delete or modify any item that is inaccurate, incomplete, or cannot be verified. A reinvestigation "must consist of something more than merely parroting information received from other sources," *Cushman v. Trans Union Corp.*, 115 F.3d 220, 225 (3d Cir. 1997), and a consumer reporting agency does not discharge this "grave responsibility" by deferring entirely to the furnisher's say-so. Upon a consumer's request, an agency must also include the consumer's statement of dispute in his file and note the dispute in subsequent consumer reports.

30. Section 1681s-2(b) requires that a furnisher, upon receiving notice of a dispute from a consumer reporting agency, conduct an investigation with respect to the disputed information; review all relevant information provided by the agency; report the results to the agency; and, if the information is found to be inaccurate, incomplete, or unverifiable, modify, delete, or permanently block its reporting, and report those results to all consumer reporting agencies to which it furnished the information.

31. A defendant "willfully" violates the FCRA not only through knowing violations but through reckless ones, conduct entailing "an unjustifiably high risk of harm that is either known or so obvious that it should be known." *Safeco Ins. Co. of Am. v. Burr*, 551 U.S. 47, 57, 68–69 (2007). Willful violations expose a defendant to actual or statutory damages, punitive damages, and attorneys' fees, 15 U.S.C. § 1681n; negligent violations expose it to actual damages and fees, 15 U.S.C. § 1681o.

The New Jersey Consumer Fraud Act Reaches Mortgage Servicing and Loss Mitigation

32. The NJCFA prohibits "[t]he act, use or employment by any person of any unconscionable commercial practice, deception, fraud, false pretense, false promise, misrepresentation, or the knowing[] concealment, suppression, or omission of any material fact with intent that others rely upon such concealment, suppression or omission, in connection with the sale or advertisement of any merchandise or real estate, or with the subsequent performance of such person as aforesaid[.]" N.J.S.A. 56:8-2.

33. The New Jersey Supreme Court has held that the servicing and collection of a residential mortgage loan, including the negotiation and administration of post-default loss-mitigation and forbearance agreements, falls within the NJCFA. *Gonzalez v. Wilshire Credit Corp.*, 207 N.J. 557

(2011). A consumer who suffers an ascertainable loss caused by an unlawful practice recovers threefold his damages, together with attorneys' fees, filing fees, and costs. N.J.S.A. 56:8-19.

FACTUAL ALLEGATIONS

The Loan and CMG's New Jersey Servicing Operation

34. On or about March 27, 2020, Mr. Burke obtained an FHA-insured residential mortgage loan, account number ending 4518 (the "Loan"), secured by his home at 2110 Dennis Rd, Waldorf, Maryland, in the original principal amount of $329,914. CMG is the lender and services the Loan.

35. At all relevant times, CMG conducted its servicing of the Loan—borrower correspondence, loss-mitigation intake and decisions, payment processing, and escalated complaint handling—through its Ewing, New Jersey operation. Every servicing letter described below directs qualified written requests and notifications of error to Ewing, NJ; loss-mitigation documents to Ewing, NJ; and trial payments to 425 Phillips Blvd., Ewing, NJ 08618. Plaintiff's credit reports with Experian and Trans Union also listed Ewing, NJ addresses as the relevant address and point of contact for CMG with respect to its credit reporting operations.

The Prior Loss-Mitigation Cycles, and the Freeze CMG Promised in 2022

36. The Loan entered COVID-19 forbearance during the pandemic. By form letters dated February 5, 2021, and September 19, 2022, CMG notified Mr. Burke that those two forbearances were ending and identified his loss-mitigation options.

37. By form letter dated November 14, 2022, CMG approved Mr. Burke for a COVID-19 Recovery Standalone Partial Claim. In a section captioned "Credit Reporting," that letter stated: "If your loan was current at the start of forbearance, it will remain in a current status for credit reporting throughout the partial claim process. If your loan was delinquent at the start of forbearance, it will remain at the same delinquent status throughout the partial claim process."

38. The 2022 letter thus demonstrates that CMG knows how to describe—and how to deliver—a credit-reporting status freeze during a loss-mitigation program, and knows that borrowers like Plaintiff may expect a loan that is current status at the start of a forbearance, modification, or trial program to remain in a current status throughout a temporary trial period, given how previous modifications worked.

39. That is particularly so here, where the 2025 loan modification at issue specifically forewarned consequences not from delinquent reporting but rather, from "the lack of reporting."

40. The partial claim was completed and the Loan was brought current in December 2022. CMG has admitted in writing that the Loan "was not reported as delinquent in 2022" while under the pandemic-related accommodation.

41. In 2023, Mr. Burke again sought assistance and was approved for a COVID-19 Recovery Modification. CMG reported the Loan delinquent for July 2023 through October 2023 during that modification cycle.

42. In August 2025, Mr. Burke—a government contractor whose contract position had ended and whose new contract was scheduled to begin in October 2025—proactively contacted CMG, explained that his hardship was temporary, and requested short-term assistance to avoid falling behind. He submitted the documentation CMG requested.

43. Mr. Burke would have never agreed to a modification that would have caused him to be reported delinquent on his credit, because the hardship was temporary, and a credit hit would be more burdensome than finding a way to comply with two months of payments. The modified monthly payment was only about $70 less than what it was originally.

44. By form letter dated August 14, 2025, CMG confirmed that Mr. Burke's loss-mitigation application was complete as of August 13, 2025. At that time, the Loan was less than thirty days

past due: Mr. Burke had made his July 2025 installment on July 23, 2025, and only the August 1, 2025, installment was potentially outstanding. The loan had not been reported as delinquent.

The Deceptive Trial-Plan Offer

45. By form letter dated September 3, 2025 (the "Trial Plan Letter"), CMG informed Mr. Burke that he was "approved" for an FHA COVID-19 Recovery Modification and directed him to make three trial-period payments of $2,307.66, due on or before November 1, 2025, December 1, 2025, and January 1, 2026.

46. The Trial Plan Letter instructed: "Please note that you will be making these payments instead of your normal monthly mortgage payments, and that you must make all of the payments required in your 'Trial Period Plan', in order to be considered for a permanent modification." It further promised: "If you satisfy all of the terms of the offer, successfully complete the trial period plan by making the required payments on time, and return a signed loan modification agreement, we will sign the loan modification agreement, and your loan will be permanently modified."

47. On the subject of credit reporting, the Trial Plan Letter stated, in full: "Credit Reporting: Please note that we will continue to report the delinquency status of your loan to credit reporting agencies as well as your entry into a Trial Modification in accordance with the requirements of the Fair Credit Reporting Act and the Consumer Data Industry Association requirements. For any property located in a federally declared disaster area, please note that we suspend reporting to all credit reporting agencies for the duration of the Trial Modification." The first sentence of that passage—"Credit Reporting: Please note that we will continue to report the delinquency status of your loan to credit reporting agencies as well as your entry into a Trial Modification in accordance with the requirements of the Fair Credit Reporting Act and the Consumer Data Industry

Association requirements."—is referred to herein as "Statement 1," and the passage as a whole as the "Representation."

48. To a reasonable consumer—and to Mr. Burke—the Representation communicates that the existing state of the loan's credit reporting will continue while the borrower performs under the trial plan: that the bureaus will keep seeing what they see now. That is exactly how Mr. Burke's first COVID-19-related loan modification worked (along with those of many of other United States consumers). As applied to a borrower less than one month behind, it communicates that the loan will continue to be reported at or about that status—i.e., with no derogatory marks or 30-day-late marks. As applied to a borrower who is not delinquent, it communicates that the loan will be reported with a *delinquency status* of "not delinquent" or simply, "current."

49. The Representation nowhere discloses the material facts that made it misleading: that CMG applies each trial payment—which is by design smaller than the contractual installment—to the oldest unpaid contractual installment, so that the loan's contractual delinquency deepens every month; and that CMG would therefore report the borrower to the credit bureaus as 30, then 60, then 90, and up to 120 days past due, precisely because the borrower made the payments CMG instructed, on the schedule CMG set.

50. The Representation's invocation of credit reporting "requirements" is independently false and deceptive. The FCRA does not require a furnisher to affirmatively report any delinquency to the credit bureaus; generally, furnishing of information is voluntary. And CMG's own next sentence concedes that it suspends credit reporting entirely, for the duration of the trial modification, for properties in federally declared disaster areas—a concession that suppression of trial-period reporting is lawful, feasible, and within CMG's discretion. Meanwhile, Consumer Data

Industry Association (Metro 2) guidance is just that—guidance, not binding. The very term "CDIA requirements" is deceptive.

51. Nothing else in the fourteen-page Trial Plan Letter cures the deception. The letter's only other reference to the credit consequences of the plan is a buried, all-capitals paragraph stating, in full: "CREDIT SCORING COMPANIES MAY CONSIDER WHETHER THERE IS AN INCREASED CREDIT RISK DUE TO THE LACK OF REPORTING. WE ARE UNCERTAIN AS TO THE IMPACT ON YOUR CREDIT SCORE, PARTICULARLY IF YOU ARE CURRENT ON YOUR MORTGAGE OR OTHERWISE HAVE A GOOD CREDIT SCORE." (referred to herein as "Statement 2"). Statement 2 addresses only the risk arising from a "lack of reporting"—the opposite of what CMG actually did—and a frequently-asked-questions bullet states generically that a credit score "could remain unchanged, increase or decrease."

52. Neither Statement 2 nor any other provision discloses that performance under the plan would itself generate new, escalating derogatory ratings. Escalating derogatory ratings do not cause a credit score to increase under any circumstances.

53. Statement 2 affirmatively misleads lenders into thinking that what they might face is the "lack of reporting," i.e., no data reported. Nowhere in the agreement does CMG tell borrowers that they will indeed be reported as delinquent.

Mr. Burke Did Everything CMG Instructed

54. Mr. Burke accepted the offer and made every payment CMG instructed, and CMG accepted and retained every payment: CMG received and confirmed trial payments of $2,307.66 received on November 19, 2025; December 19, 2025; and January 22, 2026, each within the month it was due under the Trial Period Plan.

55. CMG has admitted, in its June 12, 2026, written response to Mr. Burke's Consumer Financial Protection Bureau complaint, that "[t]he trial plan was kept."

56. Upon completion of the trial plan, CMG sent Mr. Burke a permanent Loan Modification Agreement made as of January 26, 2026, which capitalized $12,802.85 of arrearages—including $8,830.00 of accrued interest—into a new unpaid principal balance of $256,439.67 at 6.5% interest over a new 40-year term. This reduced Mr. Burke's monthly payment by only about $70. The modification was finalized on March 11, 2026, and recorded on March 27, 2026.

Mr. Burke's Compliance Was Punished

57. For the very months in which Mr. Burke was performing the agreement, CMG furnished to the CRA Defendants monthly delinquency ratings branding him 30 days past due for September 2025, 60 days past due for October 2025, and 90 days past due for November 2025, December 2025, and January 2026. On information and belief, CMG reported the Loan as much as 120 days past due to at least one consumer reporting agency during this period.

58. Each of CMG's trial payments was posted to a suspense account and applied against an installment month in arrears, deepening the contractual delinquency each month that Mr. Burke complied.

59. By contrast, when CMG finally exercised its acknowledged discretion, it "suppressed" the adverse reporting in February 2026—confirming that at all times CMG could lawfully have declined to report new, escalating delinquencies against a performing trial-plan borrower (exactly as its disaster-area practice does and exactly as its 2022 partial-claim letter promised).

60. Mr. Burke complained to the Consumer Financial Protection Bureau, asking the question at the heart of this case: "What specific disclosure, notice, letter, email, document, or recorded telephone conversation informed me before the negative reporting began that participation in the

hardship and trial modification process would result in derogatory credit reporting to the credit bureaus?"

61. CMG's June 12, 2026, response identified no such disclosure. Instead, it recited the history, admitted the trial plan was kept and that reporting was suppressed only in February 2026, and, tellingly, ***rewrote*** its own form language, asserting that "the ***delinquent*** status of the borrower's loan will continue to be reported" (emphasis added). CMG's substitution of "delin***quent*** status" when speaking to a federal regulator, in place of its consumer-facing form's actual words, "delin***quency*** status" (emphasis added) is a failed sleight-of-hand and a tacit concession that the form as written does not adequately disclose what CMG now claims it means.

62. CMG concluded that its Credit Reporting Team had "determined that no adjustments are warranted and the reporting of the loan is accurate."

The Disputes: Documented, Specific, and Backed by CMG's Own Records

63. On or about June 16, 2026, Mr. Burke sent written disputes by certified mail to Equifax, Experian, and Trans Union under 15 U.S.C. § 1681i, disputing the consecutive monthly delinquency ratings reported on the CMG tradeline for approximately September 2025 through January 2026 and the related derogatory designations.

64. The disputes set out two independent bases: first, that the delinquency ratings are inaccurate because Mr. Burke timely made every payment CMG instructed under a servicer-directed payment plan that CMG accepted, completed, and confirmed—quoting CMG's own admissions that "[t]he trial plan was kept" and that the modification was finalized; and second, that the tradeline is materially incomplete and misleading because it reports escalating delinquency while omitting any notation that the apparent delinquency reflected performance under a CMG-approved and CMG-directed trial modification that was successfully completed.

65. The disputes enclosed the Trial Plan Letter and CMG's own payment and transaction history, demanded deletion or correction, and requested the statement of dispute be included in his file. Each dispute asked the recipient bureau to forward the dispute and all supporting documents to CMG.

66. On information and belief, each CRA Defendant transmitted notice of Mr. Burke's dispute to CMG through the e-OSCAR system, triggering CMG's duties under 15 U.S.C. § 1681s-2(b). Experian's written results confirm that it "contacted the company reporting the information," supplied "all relevant information and any documents," and instructed it to respond; Trans Union's written results likewise confirm that it asked the furnisher to investigate.

The Results: Parroted Verification and the Same Misleading Tradeline

67. Experian's reinvestigation results, dated July 15, 2026, state that the disputed item was "updated," but the post-reinvestigation tradeline still reports Mr. Burke 30 days past due for September 2025, 60 days past due for October 2025, and 90 days past due for November 2025 through January 2026, still carries a derogatory designation, and still contains no notation that the reported delinquency reflects performance under a completed, servicer-directed trial plan.

68. Trans Union's reinvestigation results, dated July 16, 2026, likewise retain every disputed rating—30 days for September 2025, 60 days for October 2025, and 90 days for November 2025, December 2025, and January 2026—and add to the tradeline the conspicuous adverse remark "Maximum Delinquency of 90 days in 11/2025 and in 01/2026," while simultaneously labeling the account "Current; Paid or Paying as Agreed" and appending the remark "LOAN MODIFIED NON GOVT," a designation that is itself inaccurate for a modification completed under the FHA's COVID-19 Recovery Modification program, a federal government program.

69. Plaintiff's dispute to Equifax was delivered on June 21, 2026. On information and belief, Equifax failed to delete or correct the disputed delinquency ratings within thirty days of receiving Mr. Burke's dispute and failed to conduct a reasonable reinvestigation.

70. Neither Experian nor Trans Union exercised independent judgment. Each had before it CMG's own documents—the Trial Plan Letter directing the payments and CMG's own ledger showing the payments made—which on their face refuted the notion that a borrower performing a servicer-directed payment plan should be branded progressively delinquent without explanation. Each instead parroted CMG's verification codes and left the disputed information in place. Nor did either agency include the statement of dispute Plaintiff had expressly demanded: the post-reinvestigation tradelines carry only a boilerplate remark code ("Completed investigation of FCRA dispute – consumer disagrees"), not Plaintiff's statement.

71. CMG, for its part, received the disputes and the enclosures from the CRA Defendants and verified the escalating delinquency ratings as reported, without correction, notation, or supplementation—adhering to the position it took with the CFPB that "no adjustments are warranted."

The Representation Is a Uniform, Version-Controlled Form Used Across CMG's Portfolio

72. The Trial Plan Letter is a standardized form: its trial-plan pages bear the form and version code "LM024 025 G1 V12," while its enclosed Mortgage Assistance Program Evaluation Summary page bears the earlier version code "LM024 025 G1 V6," demonstrating that form LM024, including the Representation, is a version-controlled form in use across CMG's servicing portfolio over time. CMG should have been careful about its wording, given the scale of operations and how many such letters were going out.

73. On information and belief, CMG sent the same form letter, containing the same Representation, to every borrower in its national servicing portfolio approved for a trial-period plan under the FHA COVID-19 Recovery Modification program and similar loss-mitigation programs during the relevant period, and applied the same payment-application and credit-reporting logic to each such borrower—reporting new, escalating delinquencies against borrowers precisely because they made the payments CMG instructed, even though CMG had promised a reporting freeze, continuation, or a "lack of reporting."

The Conduct Was Knowing, Willful, and Reckless

74. CMG acted knowingly, willfully, or with reckless disregard. CMG drafted both forms: it promised a reporting freeze in its 2022 partial-claim letter and chose materially different, deliberately softer language for its trial-modification form, while operating a payment-application system it knew would generate escalating delinquency ratings against every complying borrower. CMG received his CFPB complaints, identified no pre-reporting disclosure, deceptively rewrote its own form language (substituting the clearer term "*delinquent* status" for the actual, ambiguous term, "*delinquency* status") in response, and reaffirmed the reporting. It then received his documented disputes through the CRA Defendants and verified the reporting again.

75. Experian and Trans Union acted knowingly, willfully, or with reckless disregard: each received a detailed, document-backed dispute demonstrating from the furnisher's own records that the consumer had performed under a servicer-directed plan; each has long been on notice—from *Chaitoff*, the Seventh Circuit case directly on point, and decades of litigation and regulatory guidance—that rubber-stamping a furnisher's verification, particularly with respect to fraught trial period or loan modification reporting, is not a reasonable reinvestigation; and each nonetheless left the disputed ratings intact.

Plaintiff Suffered Actual Harm

76. Mr. Burke holds security clearance and is subject to Continuous Vetting. On January 26, 2026, his Program Security Officer initiated a formal financial security review after Continuous Vetting flagged the reported mortgage delinquency—approximately $10,000 and three months—placing his clearance, and with it his career, under review.

77. He was compelled to update the delinquent-debt portion of his electronic SF-86 security questionnaire to report a derogatory liability he did not actually owe, and to provide a further formal update with supporting proof in June 2026. This took time and constituted an expense he should not have been required to undertake. He would have never put his security clearance in jeopardy if he knew the loan would be reported delinquent as modified.

78. The derogatory reporting destroyed Mr. Burke's pending purchase of a $589,990 new-construction home: he lost a promotional 5.99% locked base rate with an August 2026 closing, a builder incentive credit of approximately $25,000 that he had planned to apply toward a buydown to 5.42%, and—with prevailing rates now materially higher—faces well over $100,000 in additional interest over the life of replacement financing. Because the purchase collapsed, he also halted the sale of his current home, losing approximately $81,700 in personal proceeds.

79. This purchase and sale were killed because Mr. Burke was told on June 14, 2026, by a Loan Officer of Lennar Mortgage that he was unable to secure a mortgage for the personal home purchase expressly and exclusively due to the number of mortgages late within the past twelve months.

80. Attempting to salvage things, Mr. Burke filed disputes (which were rebuffed, as noted above). After those disputes were rebuffed, on July 17, 2026, Mr. Burke again applied for financing, this time from Guaranteed Rate Affinity. But their "VP of Mortgage Lending" informed

Mr. Burke that he would not be approved, again due to the delinquencies reported in the past twelve months on Mr. Burke's CMG tradeline. The VP went so far as to confirm: "I think ethically you are correct, if they agreed to modify, you made modified payments on-time, you should not have been reported late like this, it seems shady." But his hands were tied: the reporting, because it was simply standard delinquencies, prohibited him from extending credit until Mr. Burke had no standard delinquencies reported for a twelve-month period.

81. Defendants could have easily reported no data or no delinquency for the months at issue and instead put any information regarding the modification or trial period into a comment. The FCRA requires "maximum possible accuracy," not maximum possible efficiency, and certainly not maximum possible homogeneity. Some missed payments are different than others: payments a borrower missed with CMG's approval and at its direction, without any warning of adverse reporting, should not be reported as payments that were 30 days past due, let alone 90.

82. Mr. Burke suffered damage to his credit standing and credit score; out-of-pocket costs of disputing, including certified-mail postage; dozens of hours of lost time responding to security-review demands, assembling records, and disputing; reputational harm within his security-clearance reporting chain; and substantial emotional distress, humiliation, anxiety, frustration, and physical sickness.

COUNT I
15 U.S.C. § 1681s-2(b)
Failure to Conduct a Reasonable Investigation After Notice of Dispute
(Against CMG)

83. Plaintiff repeats and realleges each of the foregoing paragraphs as if fully set forth herein.

84. CMG is a furnisher of information to consumer reporting agencies within the meaning of 15 U.S.C. § 1681s-2. After Mr. Burke disputed the CMG tradeline with Experian, Trans Union,

and Equifax, two or all of those agencies notified CMG of the dispute pursuant to 15 U.S.C. § 1681i(a)(2), triggering CMG's duties under § 1681s-2(b).

85. CMG violated 15 U.S.C. § 1681s-2(b) by failing to conduct a reasonable investigation of the disputed information; by failing to review all relevant information provided by the consumer reporting agencies, including CMG's own trial-plan letter and payment ledger demonstrating that Mr. Burke had made every instructed payment under a plan CMG admits "was kept"; by verifying as accurate monthly delinquency ratings that were patently misleading, and materially incomplete without any notation of the trial plan; and by failing to modify, correct, or permanently block that reporting, or to report the incompleteness to each consumer reporting agency.

86. CMG's furnishing was additionally incomplete in that CMG never furnished the trial-modification notation its own Trial Plan Letter promised: the letter stated that CMG would report Plaintiff's "entry into a Trial Modification," yet no trial-plan or workout notation appeared on Plaintiff's tradelines during the trial-period months, the precise omission that *Chaitoff* holds renders reported delinquency materially misleading.

87. CMG's violations were willful within the meaning of 15 U.S.C. § 1681n, or, in the alternative, negligent within the meaning of 15 U.S.C. § 1681o. As a direct and proximate result, Plaintiff suffered the actual damages alleged above and is entitled to actual damages or statutory damages of not less than $100 and not more than $1,000, punitive damages, and attorneys' fees and costs under §§ 1681n and 1681o.

COUNT II
15 U.S.C. § 1681i
Failure to Conduct a Reasonable Reinvestigation
(Against Experian)

88. Plaintiff repeats and realleges each of the foregoing paragraphs as if fully set forth herein.

89. Experian received Mr. Burke's June 16, 2026, dispute, together with the Trial Plan Letter and CMG's own payment history. Experian violated 15 U.S.C. § 1681i by failing to conduct a reasonable reinvestigation of the disputed delinquency ratings; by parroting CMG's verification rather than exercising independent judgment on the documents before it; by failing to delete or modify information that was inaccurate, materially misleading, incomplete, or unverifiable; and by leaving the disputed 30-, 60-, and 90-day ratings and derogatory designation on Plaintiff's file, while deleting a different, unrelated rating from the same tradeline, confirming the tradeline it had "verified" was unreliable. Experian further failed to include Plaintiff's requested statement of dispute in his file and to note the dispute in subsequent consumer reports containing the tradeline.

90. Experian knew full well that trial period and loan modifications can and should be reported not as full delinquencies, after *Chaitoff*.

91. Experian's violations were willful within the meaning of 15 U.S.C. § 1681n, or, in the alternative, negligent within the meaning of 15 U.S.C. § 1681o. As a direct and proximate result, Plaintiff suffered actual damages, including the continued presence of the derogatory tradeline on the eve of his renewed mortgage application, and is entitled to actual or statutory damages, punitive damages, and attorneys' fees and costs.

COUNT III
15 U.S.C. § 1681i
Failure to Conduct a Reasonable Reinvestigation
(Against Trans Union)

92. Plaintiff repeats and realleges each of the foregoing paragraphs as if fully set forth herein.

93. Trans Union received Mr. Burke's June 16, 2026, dispute, together with the Trial Plan Letter and CMG's own payment history. Trans Union violated 15 U.S.C. § 1681i by failing to conduct a reasonable reinvestigation; by deferring entirely to CMG's verification; by retaining every disputed delinquency rating; by adding a new adverse remark in response to a meritorious

dispute; and by appending the inaccurate remark "LOAN MODIFIED NON GOVT" to a loan modified under a federal government program. Trans Union further failed to include Plaintiff's requested statement of dispute in his file and to note the dispute in subsequent consumer reports containing the tradeline.

94. Trans Union's violations were willful within the meaning of 15 U.S.C. § 1681n, or, in the alternative, negligent within the meaning of 15 U.S.C. § 1681o. As a direct and proximate result, Plaintiff suffered actual damages and is entitled to actual or statutory damages, punitive damages, and attorneys' fees and costs.

COUNT IV
15 U.S.C. § 1681i
Failure to Conduct a Reasonable Reinvestigation
(Against Equifax)

95. Plaintiff repeats and realleges each of the foregoing paragraphs as if fully set forth herein.

96. Equifax received Mr. Burke's June 16, 2026, dispute, together with the Trial Plan Letter and CMG's own payment history. On information and belief, Equifax violated 15 U.S.C. § 1681i by failing to conduct a reasonable reinvestigation within the statutory period, by failing to delete or modify the disputed delinquency ratings, and by continuing to report inaccurate, materially misleading, incomplete, or unverifiable information.

97. Equifax's violations were willful within the meaning of 15 U.S.C. § 1681n, or, in the alternative, negligent within the meaning of 15 U.S.C. § 1681o. As a direct and proximate result, Plaintiff suffered actual damages and is entitled to actual or statutory damages, punitive damages, and attorneys' fees and costs.

COUNT V
15 U.S.C. § 1681e(b)
Failure to Follow Reasonable Procedures to Assure Maximum Possible Accuracy
(Against Experian, Trans Union, and Equifax)

98. Plaintiff repeats and realleges each of the foregoing paragraphs as if fully set forth herein.

99. Each CRA Defendant prepared and furnished consumer reports concerning Plaintiff that contained inaccurate and materially misleading information: monthly ratings branding him progressively delinquent for months in which he made every payment required by a servicer-directed trial payment plan, without any notation of the plan, its completion, or the resulting modification. Each CRA Defendant failed to follow reasonable procedures to assure maximum possible accuracy of that information, in violation of 15 U.S.C. § 1681e(b), both before and after receiving Plaintiff's disputes and supporting documents.

100. Each CRA Defendant's violations were willful within the meaning of 15 U.S.C. § 1681n, or, in the alternative, negligent within the meaning of 15 U.S.C. § 1681o. As a direct and proximate result, Plaintiff suffered actual damages and is entitled to actual or statutory damages, punitive damages, and attorneys' fees and costs.

COUNT VI
N.J.S.A. 56:8-1 et seq.
New Jersey Consumer Fraud Act — Unconscionable Commercial Practices, Deception, False Promise, Misrepresentation, and Knowing Omission
(Against CMG)

101. Plaintiff repeats and realleges each of the foregoing paragraphs as if fully set forth herein.

102. CMG is a "person" within the meaning of N.J.S.A. 56:8-1(d). The servicing and collection of Plaintiff's residential mortgage loan, including the offering and administration of trial-period plans and loan modifications, is the "subsequent performance" of a consumer transaction subject to the NJCFA. *Gonzalez v. Wilshire Credit Corp.*, 207 N.J. 557 (2011). CMG's

unlawful conduct emanated from its loss-mitigation and servicing operation in Ewing, New Jersey, from which the form letters were sent and where the trial payments were received and processed.

103. CMG committed unlawful practices in violation of N.J.S.A. 56:8-2, including: (a) affirmatively misrepresenting, in a uniform form letter, that it would "continue to report the delinquency status" of borrowers' loans, when in fact it would report new and escalating delinquencies triggered by borrowers' compliance; (b) affirmatively misrepresenting that such reporting was made "in accordance with the requirements of" the FCRA and the CDIA, when no law or standard required it and CMG suppresses identical reporting at its discretion (and when the CDIA is, in any event, mere guidance); (c) knowingly concealing, suppressing, and omitting the material facts that trial payments would be applied so as to deepen contractual delinquency, and that escalating derogatory ratings would follow as a direct result of performance, with the intent that borrowers rely on those omissions and enter the trial plans; (d) engaging in the unconscionable commercial practice of marketing a loss-mitigation program as a benefit while designing its administration to brand complying borrowers as progressively delinquent; and (e) warning only of adverse credit consequences from "LACK OF REPORTING" and nowhere warning about derogatory reporting, and feigning ignorance that "WE ARE UNCERTAIN AS TO THE IMPACT ON YOUR CREDIT SCORE," going so far as to suppose it "could remain unchanged [or] increase[,]" when in fact CMG knew full well that the loan would eventually be reported as 90 days delinquent under the modification plan and that would sink Plaintiff's credit score.

104. Plaintiff suffered an ascertainable loss caused by CMG's unlawful practices, including the loss of a locked promotional interest rate; an approximately $25,000 builder incentive; the loss of more than $80,000 in profit from a contemplated but cancelled sale of his

current home; the loss of a home purchase a replacement for which will cost more to purchase; and the other concrete pecuniary losses alleged above.

105. Plaintiff is entitled to threefold his damages, injunctive relief requiring CMG to correct its form disclosures, and attorneys' fees, filing fees, and costs, under N.J.S.A. 56:8-19.

COUNT VII
Common Law
Intentional Misrepresentation / Fraudulent Concealment
(Against CMG)

106. Plaintiff repeats and realleges each of the foregoing paragraphs as if fully set forth herein.

107. CMG made material misrepresentations of fact—that it would "continue to report the delinquency status" of the loan and that its reporting was required by the FCRA and CDIA—and concealed material facts exclusively within its knowledge: that its payment-application and credit-reporting systems would generate new, escalating delinquency ratings against every borrower who performed under the trial plan.

108. CMG did so in order to sell an otherwise-unattractive 40-year mortgage loan that was lucrative and/or advantageous to CMG.

109. CMG knew the representations were false or misleading when made, as demonstrated by its 2022 form letter promising a genuine reporting freeze, its disaster-area suppression practice, its 2023 reporting against this same borrower, and its subsequent rewriting of the representation in its CFPB response, and intended that borrowers rely on them in deciding to enter and perform trial-period plans.

110. Plaintiff justifiably relied: he entered the trial plan and made the instructed payments rather than pursuing alternatives—including simply paying or borrowing to pay the modest existing arrearage, prioritizing the mortgage over other obligations, or timing his home

purchase differently—that would have avoided escalating derogatory reporting. As a direct and proximate result, Plaintiff suffered the damages alleged above. CMG's conduct was wanton, willful, and in reckless disregard of Plaintiff's rights, warranting punitive damages.

COUNT VIII
Common Law
Negligent Misrepresentation (in the Alternative)
(Against CMG)

111. Plaintiff repeats and realleges each of the foregoing paragraphs as if fully set forth herein.

112. In the alternative, CMG, having undertaken to describe the credit-reporting consequences of its trial-period plans in a written disclosure it drafted and disseminated, owed borrowers a duty to describe those consequences with reasonable care and accuracy. CMG negligently made the false and misleading statements described above, Plaintiff justifiably relied on them, and Plaintiff suffered pecuniary loss as a direct and proximate result.

COUNT IX
Md. Code Ann., Com. Law § 13-101 et seq.
Maryland Consumer Protection Act (in the Alternative)
(Against CMG — pled in the alternative to NJCFA claim)

113. Plaintiff repeats and realleges each of the foregoing paragraphs as if fully set forth herein.

114. In the alternative to Count VI, and on behalf of himself: CMG's conduct alleged above constitutes unfair, abusive, or deceptive trade practices in violation of the Maryland Consumer Protection Act, Md. Code Ann., Com. Law § 13-301(1), (3), and (9), including false or misleading statements that have the capacity, tendency, or effect of deceiving or misleading consumers, and the failure to state material facts where the failure deceives or tends to deceive, in connection with consumer credit and the collection of consumer debts, § 13-303(4), (5).

115. Plaintiff suffered actual injury and loss as alleged above and is entitled to recover damages, and reasonable attorneys' fees, under Md. Code Ann., Com. Law § 13-408.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff respectfully requests that this Court enter judgment against Defendants as follows:

a. awarding Plaintiff actual damages, or in the alternative statutory damages of not less than $100 and not more than $1,000 per violation, against CMG under 15 U.S.C. §§ 1681n and 1681o (Count I);

b. awarding Plaintiff actual damages, or in the alternative statutory damages of not less than $100 and not more than $1,000 per violation, against Experian, Trans Union, and Equifax under 15 U.S.C. §§ 1681n and 1681o (Counts II–V);

c. awarding punitive damages against each Defendant under 15 U.S.C. § 1681n;

d. awarding Plaintiff threefold his ascertainable losses, together with attorneys' fees, filing fees, and costs, against CMG under N.J.S.A. 56:8-19 (Count VI);

e. awarding Plaintiff compensatory and punitive damages against CMG on the common-law counts (Counts VII–VIII);

f. in the alternative to (d.), awarding Plaintiff damages and reasonable attorneys' fees against CMG under Md. Code Ann., Com. Law § 13-408 (Count IX);

g. enjoining CMG from continuing to use Statement 1 and Statement 2 (and the Representation) in its loss-mitigation forms;

h. awarding reasonable attorneys' fees and costs under 15 U.S.C. §§ 1681n and 1681o and N.J.S.A. 56:8-19 (and in the alternative Md. Code Ann., Com. Law § 13-408(b));

i. awarding pre- and post-judgment interest as allowed by law; and

j. granting such other and further relief as the Court deems just and proper.

DEMAND FOR JURY TRIAL

Plaintiff demands a trial by jury on all claims and issues so triable. Fed. R. Civ. P. 38(b).

LOCAL CIVIL RULE 11.2 CERTIFICATION

Pursuant to Local Civil Rule 11.2, I certify that, to the best of my knowledge, the matter in controversy is not the subject of any other action pending in any court, or of any pending arbitration or administrative proceeding.

Dated: July 20, 2026

Respectfully submitted,

/s/ Noah Kane
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