

\$23,000, was included in a class action lawsuit against the lender. This allegation and explanation warrant review on appeal.

Judge's Findings and Analysis

Applicant, in his early 50s, has been married to his current wife since 1999 and has one minor and four adult children. He served in the military from 1992 to 1996 and from 1998 to 2001, and he was honorably discharged from both periods of service. He has served in either a Reserve or National Guard capacity since 2009. Applicant experienced financial difficulties in early 2020 when the COVID-19 pandemic began and his wife, a registered nurse, left her employment and Applicant became their sole source of income. His wife did not return to work until December 2022.

Applicant purchased the vehicle underlying the subject debt in 2013. In 2017, he was notified that a lawsuit had been filed by a state against the creditor for unfair loan practices and he might be eligible for compensation under a proposed settlement. Following receipt of this information, he stopped paying on the loan. He claimed that the creditor never contacted him again and he took no steps to confirm his inclusion in the lawsuit. He also did not contact the creditor until January 2023, at which time he was told that he was not included in the 2017 settlement and the loan had been charged off. In response to this information, Applicant made a \$300 payment on the debt; however, he subsequently investigated the account further and determined that he was listed as the owner on the vehicle's title (the "Title"), free of any liens. In support of this explanation, Applicant provided a copy of the Title, which indeed reflects Applicant as the current registered owner and identifies no lienholders. Applicant Exhibit G.

Despite Applicant's explanation that "he had title to the vehicle free of any liens," the Judge found that the account was not resolved because the "debt is reflected as charged off in both credit reports in the record." Decision at 3. The Judge also found that Applicant had "not established a reasonable basis to dispute the legitimacy of [the] debt" and concluded that, overall, Applicant "did not provide sufficient evidence to mitigate the financial security concerns." Decision at 7, 8.

Discussion

In deciding whether a judge's conclusions are erroneous, the Appeal Board will review the decision to determine whether it "fails to examine relevant evidence, fails to articulate a rational connection between the facts found and the choice made, fails to be based on a consideration of relevant factors, involves a clear error of judgment, fails to consider an important aspect of the case, or is so implausible as to indicate more than a mere difference of opinion." ISCR Case No. 94-0215 at 4-5 (App. Bd. Apr. 13, 1995) (citing *Motor Vehicle Mfr. Ass'n v. State Farm Mut. Ins. Co.*, 463 U.S. 29, 43 (1983)).

A judge need not discuss every piece of record evidence in rendering a decision. *See, e.g.*, ISCR Case No. 15-02903 at 3 (App. Bd. Mar. 9, 2017). A judge cannot, however, "ignore, disregard, or fail to discuss significant record evidence that a reasonable person could expect to be [considered] in reaching a fair and reasoned decision." *Id.* Here, the Judge made no finding about the Title and its confirmation that no lienholders exist. As a result, his analysis failed to consider

an important aspect of the case and, in particular, the applicability of AG 20(e). Applicant's explanation that he believed he was included in the 2017 settlement is "a reasonable basis to dispute the legitimacy of the past-due debt," which is apparently substantiated by the Title and the absence of any lienholders thereon. A reasonable person would expect this piece of evidence to be specifically addressed and failing to do so was in error.

Moreover, in not acknowledging this piece of evidence, the Judge also failed to reconcile the conflicting information presented between it and the credit reports. When the record contains conflicting evidence, the Judge "must carefully weigh the evidence in a reasonable, common sense manner and make findings that reflect a reasonable interpretation of the evidence that takes into account all the record evidence." ISCR Case No. 99-0435 at 3 (App. Bd. Sep. 22, 2000). The Judge failed to articulate how he reconciled the discrepancy between the credit reports and the lien-free Title when he concluded that the vehicle debt is still owing. "The Board must consider not only whether there is evidence supporting a Judge's findings, but also whether there is evidence that fairly detracts from the weight of the evidence supporting those findings." ISCR Case No. 97-0727 at 3 (App. Bd. Aug. 3, 1998). We believe that, in this case, the Title – a legal document – detracts from the weight of the credit reports and find Applicant's explanation coupled with his documentation more persuasive than the disputed information on his credit reports.

In the case before us, we note the Judge's conclusion that Applicant's remaining financial problems, which total only about \$4,400, resulted to some extent from circumstances beyond his control. This conclusion is consistent with the record that was before him, which included evidence that the family's financial resources were reduced due to his wife's unemployment during the COVID-19 pandemic. We also note that those debts did not become delinquent until, at the earliest, mid-2021, and in the case of the four past-due accounts, only became delinquent in mid-2022. *See* File of Relevant Material Item 5 at 2-4. The record also reflects that Applicant established payment plans for the debts in early 2023. While true that this was the month following his receipt of the SOR, it was also the month following his wife's reemployment, which Applicant explained "'greatly improved' their finances." Decision at 4.

Each case must be decided on its own merits. Based on our review of the record, we conclude that the Judge's decision failed to examine relevant evidence and to consider an important aspect of the case and is not sustainable. Moreover, his decision runs contrary to the record evidence.

Order

The decision is **REVERSED**.

Signed: James F. Duffy

James F. Duffy
Administrative Judge
Chair, Appeal Board

Signed: Moira Modzelewski

Moira Modzelewski
Administrative Judge
Member, Appeal Board

Signed: Allison Marie

Allison Marie
Administrative Judge
Member, Appeal Board