§ 380-f. Procedure for resolving disputes. (a) If a consumer disputes any item of information contained in his file, and such dispute is directly conveyed to the consumer reporting agency by the consumer, the consumer reporting agency shall promptly re-investigate and record the current status of such information, unless it has reasonable grounds to believe that the dispute by the consumer is frivolous, and it shall promptly notify the consumer of the result of its investigation, its decision on the status of the information and his rights pursuant to this section. The presence of contradictory information in a consumer's file shall not, in and of itself, constitute reasonable grounds for believing the dispute is frivolous.

(b) If, after conducting the re-investigation required by subdivision (a) of this section, the consumer reporting agency finds that an item is in error or that it can no longer be verified, it shall:

(1) promptly expunge the item and otherwise correct the file,

(2) refrain from reporting the item in subsequent consumer reports,

(3) clearly and conspicuously disclose to the consumer his rights to make a request for notification and upon request of the consumer, promptly notify any person designated by the consumer who has received information regarding the item during the previous year that an error existed, and shall furnish such person with the corrected information, and

(4) where applicable forward a copy of the consumer's statement pursuant to subdivision (c) of this section.

(c) If, after conducting a re-investigation pursuant to this section, the consumer reporting agency is unable to resolve any remaining differences between the statements made by its sources and the consumer, it shall:

(1) promptly indicate in the file that the item is disputed,

(2) permit the consumer to file a statement concerning the nature of the dispute, which statement may be limited by the agency to not more than one hundred words if such agency provides the consumer with assistance in writing a clear summary of the dispute,

(3) include the consumer's statement of the dispute in all subsequent credit reports containing the information in question, and

(4) clearly note in all subsequent consumer reports that the item is disputed by the consumer.

(d) Notwithstanding any other provision of this section, if any item disputed and reinvestigated is found to be in error or can no longer be verified, upon completion of the reinvestigation of all items disputed, the agency shall promptly mail the consumer a corrected written copy of the file, reflecting any changes, with an explanation of any code used, at no charge to the consumer.