

Breaking News! Fair Debt Collection Practice Issue

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The U.S. Court of Appeals for the Sixth Circuit has held that a Delaware Limited Liability Company was a “person” as defined by the FDCPA, and reversed the District Court decision which had dismissed an FDCPA claim against a debt collector, remanding the case back to the District Court for further proceedings. The Circuit explicitly declined to determine whether the Delaware LLC can actually sue under the FDCPA — noting that issue was not before them —but this matter will now have to be defended where the foreclosure communication went to the LLC who had taken an assignment of an interest in residential property.

The dissent opines that this decision is contrary to the intent and purpose of the statute which is to protect consumers and consumers are natural persons — not LLC’s.

The case is Anarion Investments LLC v Carrington Mortgage Services.

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