



Alerts

U.S. Supreme Court Holds Consumers Can Sue the Government for Violating the FCRA

February 26, 2024

Hinshaw Alert

On February 8, 2024, the United States Supreme Court issued a unanimous decision in *Department of Agricultural Rural Development Rural Housing Service v. Kirtz* by holding that a consumer may sue the government under the Fair Credit Reporting Act (“FCRA”) for providing false information to the credit reporting agencies.

The plaintiff alleged the federal government reported a debt relating to a Pennsylvania consumer. The federal government argued that it was immune from liability under the FCRA. The Supreme Court rejected the federal government’s argument and held that Congress expressly waived governmental immunity in the FCRA.

The FCRA defines the term person to mean “any individual, partnership, corporation, trust, estate, cooperative, association, government or governmental subdivision or agency, or other entity.” *Kirtz* holds the FCRA’s inclusion of the word “government” in the FCRA’s definition of person provides for “a clear waiver of sovereign immunity.”

While *Kirtz* involved a reported debt owed to the federal government, consumer attorneys will attempt to apply it to state and local governments. As a result, federal, state, and local governments should comply with the FCRA’s requirements to avoid future individual and class action suits under the Act.

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Service Areas

Consumer Financial Services

Fair Credit Reporting Act

Government