



## News

### David Schultz Analyzes in ARM Compliance Digest: CFPB Stands Behind Collector for Itemizing Debt in Letter

November 9, 2020

In the November 9, 2020 edition of the *ARM Compliance Digest*, Hinshaw partner David Schultz discusses the recent amicus brief filing by the CFPB in support of a debt collector's position that it did not violate the Fair Debt Collection Practices Act when it included line items indicating that an individual owed \$0.00 in interest and collection fees in a collection letter:

In the past few years there have been dozens of FDCPA lawsuits that alleged a collector's letter was misleading if it had \$0.00 in columns discussing the debt. The courts were split on the issue. Some granted motions to dismiss, some ruled for the debtor, and others let the cases proceed beyond the pleading stage. There seems to be some recent clarity on the issue. The 7th Circuit rejected the theory in *DeGroot v. Client Services*, as did the 2nd Circuit in *Dow v. Frontline Asset Strategies*. Hopefully the Third Circuit agrees in the *Hopkins v. Collecto* case.

It likely will help that the CFPB filed an amicus. The CFPB cites the relevant cases but also spends a lot of time discussing its safe harbor letter in the NPRs. It pointed out that the proposed letter breaks a debt down, such as the amounts for principal, interest, costs, and fees. The CFPB did not include the proposed letter in its recently issued rules but likely will do so next month when it is supposed to issue more rules.

It is nice to see the CFPB file a brief in support of a debt collector. It seems like in most (all?) prior instances, it was on the other side in industry litigation. Now we'll await its proposed letter.

[Read the full November 9, 2020 edition of the AccountsRecovery.net Compliance Digest.](#)

#### Attorneys

David M. Schultz

#### Service Areas

Consumer and Class Action Defense

Consumer Financial Services

Fair Credit Reporting Act

Mortgage Servicing and Lender Litigation

Regulatory and Compliance Counseling

The Telephone Consumer Protection Act

#### Offices

Chicago