



## News

### David Schultz Analyzes in ARM Compliance Digest: Mich. Judge Grants MTD in FDCPA Case Over Credit Reporting Statement in Letter

August 24, 2021

In the August 23, 2021 edition of the *ARM Compliance Digest*, Hinshaw partner David Schultz discusses a decision by a Michigan District Court judge to grant a defendant's motion to dismiss after it was sued for allegedly violating the Fair Debt Collection Practices Act, ruling that informing the recipient of a collection letter that the unpaid debt may be reported to a credit reporting agency which would negatively impact the recipient's credit score if the account was left unresolved does not overshadow the validation notice:

The Midwest seems to be leading the charge in dismissing FDCPA cases for lack of Article III standing. This time a Michigan district court judge held that language about credit reporting consequences in an initial letter did not present a sufficient injury in fact.

The plaintiff in *Echols v Congress Collection, LLC*, alleged an overshadowing claim. In response to the defendant's Rule 12(b)(1) motion, plaintiff claimed there was standing because: (1) the letter violated a provision of the FDCPA, and (2) the "deception" put plaintiff at a materially greater risk of causing her to overlook her important validation rights. The court disagreed and relied on a growing body of cases.

Plaintiffs without Article III standing cannot pursue claims in federal court. They may be able to turn to state courts, though, and we are starting to see that minor trend. The law on standing in state courts varies from state to state.

[Read the full August 23, 2021 edition of the AccountsRecovery.net Compliance Digest.](#)

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