

David Schultz Analyzes in ARM Compliance Digest: Judge Rules Maine FCRA Partially Preempted by Federal Law

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In the January 29, 2024, edition of the *ARM Compliance Digest*, Hinshaw partner David Schultz discussed a Maine district court ruling that granted partial declaratory relief to a trade organization, stating that the state had overstepped its authority by enacting its own version of the Fair Credit Reporting Act.

Schultz writes:

We all know that the ARMs industry is subject to numerous laws and regulations and, unfortunately, by the federal, state and even local governments. It is difficult to keep up with all of these and then to comply with them. This is especially true when specific conduct is subject to multiple laws, such as credit reporting.

CDIA v Frey (the Maine Attorney General) deals with one such scenario, and it shows the complexity of the issue. The lawsuit addressed whether the FCRA preempted certain provisions of the Maine credit reporting laws. It is a dense read. The FCRA preemption requirements are in 15 U.S.C. § 1681t.

If you have not reviewed it lately, take a look. The FDCPA addresses preemption in a relatively short paragraph. The FCRA spends well over a page with extremely nuanced statements of what are or are not preempted and under what circumstances. It is too complex to get into for purposes of this discussion.

However, we know that the current CFPB encourages states to enact their own credit reporting laws, and that is happening. There will be more litigation over the nuances of § 1681t, which CDIA v Frey shows are pretty complicated.

[Read the full January 29, 2024 edition of the *AccountsRecovery.net Compliance Digest*.](#)

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