

Eighth Circuit Joins Five Other Circuits in Applying a Materiality Requirement to FDCPA Claims

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In [Hill v. Accounts Receivable Services, LLC](#), a consumer sued a collection agency for violations of § 1692e of the Fair Debt Collection Practices Act (FDCPA) on allegations that the collection agency's exhibits submitted in a state court action—which proved the assignment of the debt from the creditor—were false, misrepresented the legal status of the debt, and threatened actions the agency did not intend to take. The FDCPA action followed the state court's decision to grant judgment in favor of the consumer. The district court granted the collection agency's motion for judgment on the pleadings, concluding that the complained of actions were not material. The consumer appealed.

The Eighth Circuit affirmed, relying on the Seventh Circuit's decision in [Hahn v. Triumph Partnerships, LLC](#) to establish a materiality requirement in a FDCPA claim for false statements so that false but non-material statements are not actionable under the FDCPA. The Court explained that immaterial information neither contributes to, nor undermines, a consumer's ability to make decisions regarding her debts. While the decision's analysis of the materiality standard—what it is, and its purposes—are not comprehensive, the Seventh Circuit provides an extensive and useful analysis of the standard. [O'Rourke v. Palisades Acquisition XVI, LLC](#).

Applying the materiality requirement to the facts of the case, the Eighth Circuit concluded that a debt collector's loss of a collection action by itself is not a violation of the FDCPA and that the alleged inadequate documentation and other alleged inaccuracies in the state court case were not materially false representations. By affirming dismissal, the Eighth Circuit joins the Third, Fourth, Sixth, Seventh and Ninth Circuits in requiring a consumer to prove not only that a violation of the FDCPA has occurred, but also that the violation was material. The decision increases jurisdictions in which debt collectors can defend purely technical violations of FDCPA on material grounds.

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Topics

FDCPA, Debt Collection, Fair Debt Collection Practices Act, Materiality Requirement