

Uniformity Achieved: Third Circuit Rules There is No Written Requirement to Dispute Validity of a Debt Under FDCPA

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The Third Circuit Court of Appeals issued an *en banc* decision in [Riccio v. Sentry Credit](#), overturning [Graziano v. Harrison](#), after finding that there is no written dispute requirement in [Section 1692g\(a\)\(3\)](#) of the Fair Debt Collection Practices Act (FDCPA). According to the court, this decision ends “a circuit split and restores national uniformity to the meaning of §1692g.” Moreover, the decision applies retroactively to any claim still open on the issue, thus closing the chapter on a written requirement for Section 1692g.

After receiving a debt validation note, Riccio filed a class action suit against Sentry Credit, a collection agency, for violations of the FDCPA. Riccio alleged that the notice contained boxes offering different means of contacting the collection agency that were confusing and did not make it clear that a dispute had to be filed in writing. In text above the boxes containing contact information, Sentry’s validation used language from Section 1692g: “[i]f you notify this office in writing within 30 days from receiving this notice . . .” The district court dismissed the case concluding that there was no written requirement for a 1692g dispute, and Riccio appealed.

The issue on appeal was how a dispute may be filed under Section 1692g(a)(3), and whether including a telephone number on an initial collection letter misleads the consumer into thinking they can dispute the debt orally. Previously, in

[Graziano](#), decided in 1991, the Third Circuit required that all debt disputes under Section 1692g must be written. The plain language of the FDCPA, however, does not include the term “written” in Section 1692g(a)(3), though the term is used in other sections. On review, the Third Circuit relied upon [Supreme Court precedent](#) decided after [Graziano](#) that consistently applies a “plain meaning” statutory interpretation, in deciding that Congress knew what they were doing by not including the written dispute requirement in Section 1692g(a)(3). At the same time, the Third Circuit provided protection to debt collectors who include a written dispute requirement in their validation notice:



Just as collectors who act ‘in good faith in conformity with any [agency] advisory opinion’ cannot be liable if that ‘opinion is amended, rescinded, or’ judicially invalidated, § 1692k(e), collectors should not be penalized for good faith compliance with then-governing case law. To that end, we note district courts can withhold damages for unintentional errors, § 1692k(b), award no damages for trivial violations, § 1692k(a)(1), and even award attorney’s fees to the collector if the debtor’s suit ‘was brought in bad faith and for the purpose of harassment,’ § 1692k(a)(3). We have confidence in district courts to exercise that discretion appropriately.

Applying *Riccio*, debtors now have multiple methods to dispute a debt under Section 1692g, including by phone. The Third Circuit’s ruling eases debtors’ ability to protect themselves and dispute the validity of debts. For debt collectors, the decision allows for more uniformity in their validation notices, which should simplify the process of creating and mailing these validation notices. The court will no longer penalize debt collectors for following the language of the FDCPA. In short, the decision that debt collection notices no longer need to be in writing is a boon for debt collectors and debtors alike.

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