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SALZANO, P.C.**Collector's Corner**
Current Legal News Affecting the Collection Industry

Franzén and Salzano, P.C. welcomes you to Collector's Corner, your source for the most recent legal news for the collection industry.

The Tide Is Turning! Limited-Time Settlement Letters Do Not Violate FDCPA.

Distinguishing *Goswami*, an Illinois District Court recently approved a debt collection letter which offered a reduced settlement by a certain deadline. Rejecting the analysis of two previous cases from the same District Court, the court in *Gully v. Van Ru Credit Corp.*, No. 04-c-6821, 2005 U.S. Dist. Lexis 16473 (August 8, 2005, N.D. Ill.) held that collectors may negotiate within their settlement authority so long as they do not make misrepresentations. In *Headen v. Asset Acceptance Corp.*, No. 1:04-cv-2016 (August 23, 2005, S.D. Ind.) an Indiana Federal District Court dismissed allegations of false and deceptive settlement letters explaining that the “unsophisticated but reasonable consumer would not expect a car dealer’s sticker price to be its bottom line. Neither would she expect a debt collector’s first offer to be its last and best offer.”

Statutory Notice Of Materialman’s Lien Not A “Communication” Under FDCPA.

Dismissing Plaintiff’s claim that a collector violated the FDCPA by failing to provide a validation notice after sending the consumer written notice of a materialman’s lien which is required under state law, a Georgia Federal District Court analogized the 11th Circuit’s decision in *Vega v. McKay*, holding that filing a lien and sending notice pursuant to statute are “mandatory steps” in the lien enforcement process; therefore, the notice is not a “communication” under the FDCPA for the same reasons a summons and complaint are not “communications” under the FDCPA in the 11th Circuit. *Kong-Quee v. Lien Filers Etc. LLC*, No. 1:04-cv-3417, 2005 U.S. Dist. Lexis 13893 (June 16, 2005, N.D. Ga). The Defendant, Lien Filers Etc., LLC was represented by John H. Bedard, Jr. of Franzen and Salzano, P.C.

Franzén and Salzano, P.C. assists collection agencies, creditors, and attorneys nationwide with their compliance and litigation needs. Our expert services include letter review, FDCPA/FCRA defense litigation, licensing, and vendor contract review. For more information about our services, please call John H. Bedard, Jr., 770-248-2885, ext. 244, or e-mail him at jbedard@franzen-salzano.com.

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