



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.

Pay Attention to Information Security

Debt collectors utilize private, personal information relating to debtors on a day-to-day basis. The recent security breaches at information brokers Choice Point, LexisNexis and others have led to FTC inquiries and private lawsuits alleging violations of the FCRA and state laws. It is becoming more and more important to recognize the risks of such private information falling into the wrong hands. Take proactive steps to prevent information security breaches by creating and implementing information security policies.

Credit Report May Constitute Representation in Connection with Collection of a Debt

In the recent case of *Blanks v. Ford Motor Credit Co.*, 2005 U.S. Dist. Lexis 269 (Jan. 7, 2005, N.D. Texas), the court found that reporting a debtor's account as overdue may constitute a representation "in connection with the collection of a debt," thus subjecting a debt collector to liability under §1692e(8) of the FDCPA if such information was not accurate.

Requiring Consumer to Dispute Debt "In Writing" Found to Violate FDCPA

In *Vega v. Credit Bureau Enterprises*, 2005 U.S. Dist. LEXIS 4927 (E.D.N.Y, March 29, 2005), the court held that a debt collector violated the FDCPA by stating in its debt collection letters that consumers must dispute debts "in writing" within 30 days of the letter. The court reasoned that the plain language of Section 1692(g)(3) does not require a dispute to be written and that, when read with the validation notice of the letter that did not require a written response from the consumer, the writing requirement was confusing and misleading.

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@franzén-salzano.com.

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