

## Eleventh Circuit Rules that a Debt Collector's Use of a Third-party Vendor Violates the FDCPA



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Today, the United States Court of Appeals for the Eleventh Circuit issued an opinion in *Hunstein v. Preferred Collection and Management Services, Inc.* that will substantially impact collection practices, at least in the short term. As is commonplace in the collection industry, the defendant debt collector used a third-party vendor to create, print, and mail initial collection letters to consumers. Upon receiving the letter, the plaintiff brought suit against the collection agency arguing that transmitting the consumer's information to the third-party vendor violated [15 U.S.C. § 1692c\(b\)](#) because it communicated information about the consumer to a third party. Shockingly, the Eleventh Circuit agreed. Thus, according to the Eleventh Circuit, disclosing a consumer's personal debt-related information to a letter vendor violates the Fair Debt Collection Practices Act. We are still working through the decision, but the significance is substantial as the opinion itself acknowledges the impact this will have the debt collection industry.

For any questions regarding this Alert or any other legal matter affecting [Consumer Financial Services](#), please contact any of the attorneys below.

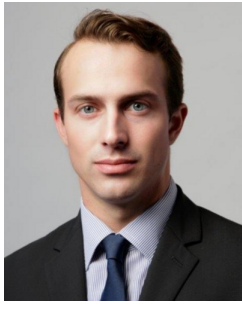
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