

**LAW FIRM LIABLE UNDER FDCPA FOR NOT CANCELLING
FORECLOSURE ADS OR CANCELLING FORECLOSURE SALE
UPON RECEIVING LETTER DISPUTING DEBT**

The United States Court of Appeals for the Sixth Circuit recently reversed a lower court and held that a debt collector law firm violated the Fair Debt Collection Practices Act (“FDCPA”) when it did not stop foreclosure ads from appearing in the newspaper after it received a letter from the debtor disputing the debt. *See Scott v. Trott Law, P.C.*, 2019 WL 169237 (6th Cir. Jan. 11, 2019). On September 20, 2016, the defendant law firm sent a debt collection letter to the debtor under the FDCPA informing him that the law firm was going to foreclose on the debtor’s home due to missed mortgage payments. On October 5, the law firm arranged to have a notice of foreclosure sale published in the newspaper for four consecutive weeks, arranged to have the newspaper post the notice at the debtor’s home, and scheduled a sheriff’s sale. On October 11, the law firm received a letter from the debtor disputing the debt. **Under the FDCPA, “[i]f the consumer notifies the debt collector in writing within the thirty-day period . . . that the debt, or any portion thereof, is disputed . . . the debt collector shall cease collection of the debt. . .” until it can verify the debt and send the verification to the debtor. 15 U.S.C. § 1692g(b).** Although the law firm stopped its own collection efforts upon receipt of the letter, the newspaper printed the notice of foreclosure sale three more times and posted the notice at the debtor’s home. The debtor also had to obtain an injunction staying the sheriff’s sale, which the law firm did not cancel. The debtor brought this action arguing, among other things, that the law firm had violated the FDCPA by not stopping the newspaper from advertising and posting the sale notice, and by not canceling the sale. The District Court granted the debt collector’s motion for summary judgment, finding that the law firm had not itself conducted any collection efforts after receiving the letter and had no duty to cancel the ads, stop the newspaper from posting the notice, or cancel the sale.

On appeal, the Court found that the law firm had violated the FDCPA. Although the law firm did not engage in any more collection efforts, it already had “set into motion all the requirements to satisfy Michigan foreclosure law and the FDCPA.” **“Ostensibly, [the law firm] is suggesting that even though [the debtor] sent a Dispute Letter, the foreclosure sale could have still occurred because [the law firm] itself had ‘ceased.’ This reading of the statute produces a result contrary to the plain intent of**

the FDCPA and this circuit's case law.” Accordingly, the Court reversed the District Court's determination that the law firm had not violated the FDCPA.