
FCRA Compliance: Getting Ahead of the Game

In recent years, the Fair Credit Reporting Act has become fertile ground for plaintiffs' consumer finance attorneys. When the next recession inevitably arrives, this trend is likely to only increase.

FCRA can seem almost unfairly complex and technical, even to the most experienced consumer finance attorneys. In addition, FCRA poses substantial exposure because it allows for actual, statutory, and punitive damages against violators along with attorney fees even in situations which may appear fairly trivial. It is also the type of act that can create a foundation for class actions as noted below.

As the next recession begins to approach, now is the time for businesses to set the stage to address both compliance and potentially higher litigation volumes as a result of the FCRA. A proactive compliance strategy can help businesses avoid the FCRA's many pitfalls. To make sure that your business is on the ball, you should vet your outside counsel to ensure they have experience in the following areas:

- **FCRA class actions:** One FCRA claim can turn into many, with a single claim under the act often meaning that hundreds or thousands of other violations may have occurred. Successful outside counsel should be prepared to tackle a class action situation.
- **Confines of alleged damages:** Skilled counsel can narrow the definitions of a plaintiff's alleged damages in an FCRA action to reduce your risk.
- **Industry best practices:** The best lawsuit is no suit at all, so be sure that your counsel is ready to provide guidance on industry best practices in credit reporting and can provide you with recommendations on how to keep up with industry-wide changes.

The easiest way to stay ahead of the game is to have industry experts in your corner. Having go-to FCRA counsel in your rolodex may be able to save you a lot of time, energy, and funds when the Federal Trade Commission comes knocking.

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