



FOR IMMEDIATE RELEASE

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Today, NARCA member Frederick J. Hanna & Associates, PC. (“Hanna”) and its individual members, Frederick J. Hanna, Joseph C. Cooling and Robert A. Winter, entered into a Stipulated Final Judgment and Order concluding its seventeen-month litigation with the Consumer Financial Protection Bureau. While Hanna has agreed to monetary penalties, there has been no admission of liability on the part of Hanna or its members; further both parties agree that there has been no adjudication of any issue of fact or remaining issues of law arising from the conduct alleged in the CFPB’s complaint.

NARCA understands that many consent orders are entered into because the cost of fighting is overwhelming and believes that the current consent order falls in that category.

The Consent Order continues the trend of federal agencies treading upon the separation of powers by trying to regulate the litigation activities of lawyers who turn to the courts in order to help recover unpaid consumer debts. The right to petition for redress through the courts is a constitutional right guaranteed by the First Amendment, and the courts are fully empowered to make sure that this right is exercised in a fair and just manner for all parties in each lawsuit. Lawyers are officers of the court who must answer to the court for the way they conduct litigation.

At the same time, to the extent that the CFPB has the authority to regulate debt collection litigation, law firms require regulatory certainty and even-handed enforcement, so that they can do the longer-term planning critical for growth and success. While consent orders can provide some guidance to creditor law firms, the biggest takeaway from enforcement complaints and settlement agreements is that the Bureau knows unlawful activity when it sees it. Without clear and concise rules, industry is forced to scramble to figure out what is acceptable.

As the National Creditors Bar Association, NARCA is in the forefront of representing member law firms who adhere to the laws, regulations and rules required of creditors rights attorneys. In doing so, NARCA members not only fulfill their responsibility to zealously represent their clients, but also serve to assist consumers by providing solutions to their legitimately incurred debt. NARCA members are more than willing to follow clearly promulgated rules and regulations that do not conflict with the state and local rules of civil procedure and local court rules.

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NARCA – The National Creditors Bar Association is a nationwide professional trade association of 600 creditors rights law firms and in-house counsel of creditors. NARCA members are committed to being professional, responsible and ethical in their practice of creditors rights law.