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MEMORANDUM

October 5, 2011

To Our Clients and Friends

Re: Seventh Circuit Limits Relief for Plaintiffs for Violations under FCRA

In an opinion issued on Monday, the U.S. Court of Appeals for the Seventh Circuit determined that there is no private right of action under Section 623 of the Fair Credit Reporting Act (“FCRA”) if a party furnishes incorrect information to consumer reporting agencies. Rather, enforcement of the provision is left in the hands of state and federal authorities.

The court also held that the plaintiff is precluded from bringing an action under state law because Section 625(b) of the FCRA preempts such actions under state laws, including claims based upon state statutes, regulations, common law, judicial decisions, and administrative decisions.

In addition, the court determined that Section 625 also prevents the plaintiff from bringing a claim under Section 610 of the FCRA, which otherwise would permit a consumer to bring an action against a person based upon a claim that false information was furnished with malice or willful intent to injure the consumer.

A copy of the decision can be found at our website at
<http://www.schwartzandballen.com/news.html>

If you have any questions, please call Gilbert Schwartz, Robert Ballen, Tom Fox, Heidi Wicker or Lauren Bianchini at (202) 776-0700.