

## **Be Familiar with the Requirements of the Fair Debt Collection Practices Act**

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In the 1999 case of *Alexander v. Omega Management, Inc.*, a U.S. District Court in Minnesota held that a management company which sent monthly assessment statements to homeowners was not a “debt collector” within the meaning of the Fair Debt Collection Practices Act, even though some of those statements showed past due balances.

While this case is positive for the community association industry, we have seen diversity in how courts interpret the Fair Debt Collection Practices Act.

It is entirely possible that a different court may find a management company which sends monthly statements to be a debt collector. Also, it is important to note that the defendant management company’s collection activity was limited to sending monthly statements.

If you engage in assessment collection on behalf of your association clients (e.g., send demand letters, communicate with delinquent homeowners regarding their debts, record liens, or maybe even merely send statements), it is crucial that you are familiar with the requirements of the Federal Fair Debt Collection Practices Act (Starting at 15 U.S.C. 1692a).