StradleyRonon

Consumer Financial Services Litigation

In a highly regulated industry facing constant scrutiny, financial institutions are regularly targeted in litigation. Our consumer financial services litigation team combines deep industry knowledge with strategic legal acumen to protect our clients' interests and resolve disputes effectively. We have a proven track record representing some of the world's largest banks, lenders, credit card companies and loan servicers, delivering results in high-stakes litigation.

Our Approach

We provide aggressive, results-driven representation in individual, class action and multidistrict litigation across state and federal courts, and in private arbitration. Our collaborative approach integrates securities, bankruptcy and restructuring know-how, ensuring seamless, comprehensive legal strategies. By leveraging early case assessment, risk management insights and seasoned trial skills, we position our clients for success in disputes involving nearly every type of consumer and commercial financial product.

Our Services

Mortgage Origination and Servicing

Our team handles litigation arising from the origination and servicing of residential mortgages, including:

- **Mortgage Litigation:** We are well-versed in responding to mortgage servicing and lending-related challenges, including fraud, predatory lending, and federal and state statutory violations, including the Truth in Lending Act (TILA), Home Ownership and Equity Protection Act (HOEPA) and Real Estate Settlement Procedures Act (RESPA). We also handle standing challenges questioning the servicer's ability to foreclose, as well as attacks based on the securitization of mortgages.
- **Lien Priority and Title Disputes:** We litigate lien priority disputes between lenders, as well as property title disputes, and we pursue title insurance claims to achieve our clients' goals.
- **Tax Sales:** We work with servicers and taxing authorities to resolve tax disputes stemming from the servicing of mortgage loans. These workouts may include petitions to set aside tax sales, redeeming the property, pursuing title claims, reacquiring lost property and negotiating other creative solutions.
- **Fair Lending:** Our lawyers appear before federal and state commissions and courts to defend lending discrimination claims based on race and other protected classes. We also defend Equal Credit Opportunity Act (ECOA) claims arising from denials of credit and have successfully defended claims of alleged "predatory lending" discrimination and "reverse redlining."
- **Client Training and Systemic Counseling:** We counsel clients in their mortgage servicing practices to prevent problems before they arise. We have worked with servicers to rewrite policies and procedures, document management practices, credit reporting procedures, affidavits, acceleration and default notices, and borrower correspondence. We also conduct training for our clients on best practices for affidavit review and notarization.

Auto Financing

We defend auto finance companies in individual and class action suits involving claims under the Federal Trade Commission (FTC) Holder Rule, wrongful repossessions and compliance disputes. Our team has successfully defended class actions alleging defective repossession and deficiency notices. We also counsel banks and auto finance companies to ensure that their collection notices and practices comply with both state and federal laws.

Student Lending and Servicing

We are well-versed in defending student lenders and servicers against a wide range of claims. Our team regularly handles litigation involving allegations of school misconduct, credit reporting disputes, identity theft, payment allocation disputes, and forbearance steering claims. Additionally, we defend collection-related claims, including those arising under the Fair Debt Collection Practices Act (FDCPA), the Telephone Consumer Protection Act (TCPA) and state law equivalents. We also have experience defending clients against state law unfair and deceptive acts and practices (UDAP) claims. Our deep industry knowledge allows us to provide strategic counsel and aggressive defense for institutions facing these evolving challenges.

Retail Banking

We represent banks and credit unions in disputes concerning check and debit card processing, wire transfers, checks by phone and remotely created checks, return items and deposit accounts. We handle claims of check fraud, negligently opened accounts, ATM fee notifications, and other servicing issues under Uniform Commercial Code Articles 3, 4 and 4A; the Electronic Fund Transfer Act (EFTA); and Regulation E. Further, we counsel banking clients on responding to subpoenas, handling garnishments, and complying with the Fair Credit Reporting Act (FCRA) and other consumer finance laws.

Credit Cards

We defend credit card issuers in individual, class and multidistrict litigation brought under a variety of consumer protection laws. Our experience includes cases arising under TILA and Regulation Z, the TCPA, the FDCPA and state law equivalents, the FCRA, the Fair Credit Billing Act (FCBA), and ECOA. We have successfully defended putative class actions targeting credit card issuers for payment protection programs.

Privacy and Data Security

As financial institutions increasingly rely on technology to collect, monitor and process personal information, the need for stringent privacy and data security measures has never been greater. Protecting consumer and employee data is not only a legal obligation but a fundamental business priority. Our team provides proactive counseling on privacy policies, notices and disclosures to ensure compliance with evolving regulations. In the event of a data breach or violation of privacy laws, we offer rapid response strategies and robust defense in litigation, helping clients mitigate risk and protect their reputations. Additionally, we represent clients in responding to data breaches and defending against litigation involving alleged violations of privacy laws and security protocols.

Debt Collection

Our team represents debt collectors and debt purchasers in individual and class actions involving alleged violations of federal and state law, including the FDCPA, TCPA, Servicemembers Civil Relief Act (SCRA), state UDAP statutes, and other consumer protection laws. Claims often arise based on debtor communications, the collections process, and account assumption by debt buyers. We also advise clients on compliance with written and oral debtor communications requirements.

Short-Term and Payday Loans

We have extensively defended financial institutions against claims challenging short-term and payday loan products. Our team navigates regulatory challenges, litigation risks and compliance issues inherent in these financial products.

Governmental Investigations and Enforcement

We assist financial institutions in responding to governmental investigations and enforcement proceedings. Our experience includes defending civil and criminal enforcement actions related to financial products and services, ensuring compliance with regulatory agencies and mitigating risk exposure.

Class Actions

We regularly litigate class actions involving financial products and services. Our team includes lawyers with extensive knowledge in managing complex class action litigation, both from an in-house and outside counsel perspective. This allows us to stay fully aligned with our clients' business interests while aggressively defending against class claims.

We understand the high stakes these cases present and leverage cutting-edge strategies to challenge class certification, mitigate risk and drive cost-effective resolutions. By combining deep industry knowledge with proven defense tactics, we help clients navigate class action risks while achieving favorable outcomes.

Representative Matters

- Obtained summary judgment in a FDCPA class action involving novel issues with industry-wide implications (*Walker v. Cenlar*, No. 21-5381 (D.N.J.)).
- Obtained complete dismissal of a class action involving privacy and constitutional claims (*Knudsen v. Customers Bank*, Cause No. DV 16-977 (Mont.)).
- Obtained complete dismissal of a TILA class action (*Rankin v. Customers Bank*, No. 19-1508 (E.D. Pa.)).
- Defeated appeal before the U.S. Court of Appeals for the Third Circuit related to the Pennsylvania Loan Interest and Protection Law (*Conway v. US Bank*, No. 19-2498 (3d Cir.)).
- Obtained complete dismissal of a RESPA class action (*Gutierrez v. First National Bank of America*, No. 18-479 (D. Md.) on remand No. 441429 (Md.)).
- Obtained voluntary dismissal in putative class action complaint alleging that a title company systemically overcharged for notarial services.
- Obtained favorable opinion dismissing a putative Virginia class action alleging that a homebuying company violated the TCPA by sending text messages to individuals listed on the federal Do-Not-Call list.
- Secured summary judgment award in an action filed against a "write-your-own" flood insurer based on the failure to comply with proof-of-loss policy provision and obtained affirmance by the U.S. Court of Appeals for the Sixth Circuit.
- Obtained a favorable settlement in a class action lawsuit filed against a debt collection company for alleged violation of the FDCPA based on a purported defective dunning letter.
- Obtained dismissal of class action claims filed against an auto finance company based on allegedly wrongful repossession notices and practices.

Publications

Commercial Real Estate Loan Defaults and Remedies (PA)
LexisNexis Practical Guidance
May 26, 2026

Mass arbitration rules: Who decides when claims consolidate?
Daily Journal
December 13, 2024

Post-Repossession Notice Litigation: Small Mistakes Can Lead to Big Financial Consequences
Conference on Consumer Finance Law

June 8, 2023

Fair Credit Reporting Act Litigation: Winning the Tug-of-War on Mortgage Servicers' Post-Bankruptcy Discharge Credit Pulls Quarterly Report of the Conference on Consumer Finance Law
January 31, 2022

Fair Warning: The Supreme Court May Restrain the FTC's Traditional Remedies
American Bar Association Business and Corporate Litigation Committee Newsletter
April 14, 2021

Experience

Appellate Court Victory for Hyperion Bank in Significant Title Dispute Litigation
Stradley Ronon's client, Hyperion Bank, was victorious in a significant decision for the banking industry. On July 28, 2022, the Superior Court of Pennsylvania affirmed the dismissal of a lawsuit against Hyperion Bank. The suit alleged fraudulent deed transfers and sought to render the transfers and Hyperion's mortgage and other security interests null and void. The Court held that an action challenging a deed transfer accomplished through a sheriff's tax sale pursuant to 53 P.S. § 7283, even assuming that such a challenge could survive the "absolute title" conveyed by the sheriff, is subject to a six-year statute of limitations and that the equitable doctrine of laches also precluded the plaintiff/appellant's claims which challenged the tax sale and the bank's security interests in the real estate approximately seven years later.

Financial Institution Wins Dismissal in Student Loan Case
Stradley Ronon secured a victory for a leading student loan servicer in the U.S. District Court for the Eastern District of Pennsylvania. The plaintiff brought claims that the servicer violated the Federal Debt Collections Practice Act and the Fair Credit Reporting Act, based on generalized allegations that his loans were not valid. Judge Gerald Austin McHugh dismissed the case with prejudice, finding that the plaintiff alleged no facts to suggest that his loans were invalid, or that the loan documents were unenforceable.