

Attorney General Pam Bondi News Release

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Multistate Settlement Reached with Debt Buyer

TALLHASSEE, Fla.—Attorney General Pam Bondi, 41 other state attorneys general, and the District of Columbia today announced a multistate, multimillion dollar settlement with Encore Capital Group, Inc. and its subsidiaries Midland Credit Management, Inc. and Midland Funding, LLC, one of the nation’s largest debt buyers.

“This multistate, multimillion dollar settlement establishes further safeguards to protect future borrowers from bad collection practices, in addition to providing judgment relief to existing debtors,” said Attorney General Bondi.

The settlement resolves the states’ investigation of Midland’s collection and litigation practices relating to the debts it bought from creditors and other account holders. The agreement settles claims that in the high volume of litigation filed against consumer debtors, Midland signed and filed affidavits of consumer indebtedness without verifying the actual information, including the amount owed—a practice commonly called robo-signing.

The settlement requires Midland to reform its affidavit signing and litigation practices. Midland must carefully verify the information in affidavits and present accurate documents in court proceedings. Midland will also eliminate or reduce the judgment balances for more than 1,200 Florida consumer accounts for a value of approximately \$2 million in cases where Midland used an affidavit against the Florida consumers in court between 2003

and 2009.

Midland will notify impacted consumers by mail of the balance reduction and no further action is necessary from the consumer. Midland will also be paying \$6 million directly to the states as part of the settlement.

To view the settlement, click [here](#).

Under the terms of the settlement, Midland must provide accurate information about valid debts. If a consumer disputes a debt Midland is collecting, Midland must review original account documents before it continues its collection efforts. Midland is required to provide substantiating documents to consumers for no charge. Midland must maintain proper oversight and training over its employees and the law firms that it uses and will be refrained from reselling debt for two years.