

KD Alert: U.S. Supreme Court to Weigh In on 2015 TCPA Carve-Out for Government-Backed Debt Collection

By Richard Perr, co-managing partner of the Kaufman Dolowich & Voluck Philadelphia Office, Monica Littman, Graeme Hogan, and Matt Selmasska, attorneys in KD Philadelphia.

*The U.S. Supreme Court has recently indicated it will consider the constitutionality of a 2015 carve-out from the Telephone Consumer Protection Act ("TCPA") by granting a petition for review in *Barr v. American Association of Political Consultants Inc.*, Docket No. 19-631. This pending decision is critical for those in the collection industry servicing government-backed debt such as student loans or tax deficiencies. The government-backed debt exception to the TCPA meant that calls placed by a collection agency to collect debt owed to or guaranteed by the government are exempt from the TCPA. However, calls from the exact same collection agency involving debt not owed to or guaranteed by the government are subject to the TCPA's requirement that prohibits automated calls to cell phones without prior consent.*

In April of 2019, the U.S. Court of Appeals for the Fourth Circuit held that the exemption was an unconstitutional content-based restriction on free speech that violated the First Amendment. The Ninth Circuit followed suit a few months later adding to the uncertainty of the exemption. The Supreme Court granted the petition for review from the U.S. Department of Justice and the Federal Communications Commission, who are urging the high court to overturn the Fourth and Ninth Circuit's rulings. A ruling from the Supreme Court will settle the question nationally. The ruling will likely be issued in the summer of 2020.