

RECENT DEVELOPMENTS

LANDLORD TENANT

LANDLORDS COLLECTING UNDER AN OWED DEBT ARE CREDITORS, NOT DEBT COLLECTORS UNDER THE FDCPA

UNDER THE FDCPA THE TERM “DEBT COLLECTOR” INCLUDES ANY CREDITOR WHO, IN THE PROCESS OF COLLECTING HIS OWN DEBTS, USES ANY NAME OTHER THAN HIS OWN WHICH WOULD INDICATE THAT A THIRD PERSON IS COLLECTING OR ATTEMPTING TO COLLECT SUCH DEBTS

THE FOCUS OF THE FALSE NAME EXCEPTION, IS ON WHETHER THE CREDITOR HAS USED A NAME TO DISGUISE TO THE CONSUMER WHO IS ACTUALLY COLLECTING THE DEBT

Degolia v. Amber Terrace Apartments, LLC, 2026 U.S. Dist. LEXIS 165916 (E.D. Mo. 2026).

FACTS: Plaintiffs Skyler Degolia (“Skyler”), Keith Mack (“Mack”), and Susan Degolia (“Susan”) entered into a one-year lease agreement with Defendant Amber Terrace Apartments, LLC (“Amber Terrace”).

The court held that Plaintiffs failed to sufficiently plead that Defendants were “debt collectors” under the FDCPA. Skyler and Mack were the tenants under the lease, and Susan was the co-signer. The lease required Plaintiffs to make all rent payments through the AppFolio online portal. Plaintiffs’ bank statements identified the

merchant for those payments through AppFolio as Millsap LLC (“Millsap”), although Millsap was not identified in the lease or other communications. After Plaintiffs vacated the apartment following a dispute with Amber Terrace, Amber Terrace sent Plaintiffs a certified letter containing an itemized statement of charges allegedly owed under the lease.

Plaintiffs filed suit against Amber Terrace, Millsap, Keith Millsap (“Keith”), and other defendants, alleging, among other things, violations of the Fair Debt Collection Practices Act (“FDCPA”). Defendants removed the action to federal court. Plaintiffs filed a Joint Motion to Remand, and Defendants jointly moved for judgment on the pleadings.

HOLDING: Joint Motion to Remand denied; judgment on the pleadings granted.

REASONING: The court held that Plaintiffs failed to sufficiently plead that Defendants were “debt collectors” under the FDCPA. Plaintiffs conceded that their FDCPA claims were limited to Millsap, Amber Terrace, and Keith, and that the principal purpose of these defendants’ businesses was not the collection of debts. Plaintiffs alternatively alleged that the Defendants regularly attempted to collect debts allegedly owed to another, but the court found those allegations conclusory and unsupported by sufficient factual allegations.

The court further reasoned that the Plaintiffs’ allegations instead indicated that Amber Terrace was attempting to collect money owed directly to it under the lease. The court acknowledged that federal courts have held that landlords collecting debts owed to them are “creditors” rather than “debt collectors” under the FDCPA. Therefore, Amber Terrace did not qualify as a debt collector merely by attempting to collect the debt Plaintiffs allegedly owed it.

Finally, the court held the false-name exception did not apply. Under the FDCPA, a creditor may qualify as a debt collector when, in collecting its own debt, it uses another name that would indicate that a third party is collecting or attempting to collect the debt. Here, the itemized statement sent to Plaintiffs identified Amber Terrace as the collector and no other entity. Accordingly, the false-name exception did not apply, and the court dismissed all of Plaintiffs’ FDCPA claims.