

Bailey Glasser Wins Appeal Benefiting Thousands of Maryland Mortgage Borrowers

01.20.2022

Bailey Glasser partners Patricia M. Kipnis and James L. Kauffman have obtained an appellate court victory that will help protect thousands of Maryland homeowners in a lawsuit challenging “Pay-to-Pay” fees - extra amounts of up to \$20 that a mortgage servicer charges for simply processing a monthly payment by phone or internet. The lawsuit, *Alexander, et al. v. Carrington Mortgage Services, LLC*, alleges that the fees violate Federal and Maryland debt collection law.

Bailey Glasser’s clients originally brought this case as a class action against Carrington Mortgage Services, LLC, alleging that charging “convenience fees” to borrowers who paid monthly mortgage bills online or over the phone was not permitted by law. The lower district court dismissed the plaintiff’s claims, finding that Carrington had the “right” to collect these additional fees. Bailey Glasser appealed this ruling on behalf of all our consumer clients.

On January 19, 2022, the Fourth Circuit Court of Appeals reversed the lower court’s dismissal of the plaintiffs’ claims, holding that, in fact, Plaintiffs Alexander and Bishop may pursue their challenge that Pay-to-Pay fees violated Federal and Maryland debt collection law. The Fourth Circuit Court opinion set precedent that will protect thousands of Maryland consumers from these types of illegal fees. The matter now will return to the district court for further litigation.

“This case sets an important precedent because it reads the law as it was intended – to protect the consumer” said Bailey Glasser partner James Kauffman. “These kinds of fees are unlawful, and we will continue to fight across the country to protect consumers from companies taking advantage of them.”

The plaintiffs and the proposed class are represented by Bailey Glasser partners Patricia M. Kipnis and James L. Kauffman. The opinion is *Alexander, et al. v. Carrington Mortgage Services, LLC*, Case No. 20-2359 (4th Cir. Jan. 19, 2022) and a copy of the published opinion may be found here: [\[link\]](#).

About Bailey Glasser LLP

Bailey Glasser was founded in 1999 by Ben Bailey and Brian Glasser in Charleston, West Virginia.

BAILEY GLASSER WINS APPEAL BENEFITING THOUSANDS OF MARYLAND MORTGAGE BORROWERS

Now a national firm with 17 offices, including in Alabama, California, Delaware, Florida, Massachusetts, Idaho, Iowa, Illinois, Missouri, New York, New Jersey, Pennsylvania, Texas, West Virginia, and Washington, DC, Bailey Glasser handles our clients' most challenging and consequential legal issues, in litigation and in corporate matters.

We bring a trial-focused approach to litigation for plaintiffs and defendants that vigorously protects the interests of our clients – businesses in many industries and of all sizes (from Fortune 500 companies to family offices), individuals, governmental entities and government servants, and even law firms that call upon us to help them in matters because of our unique blend of resources and trial experience. Some of our areas of particular litigation focus include complex commercial litigation, in finance and energy; class action and mass tort cases; multi-district litigation involving medical devices, pharmaceuticals and automobiles; bankruptcy and insolvency proceedings; and individual negligence cases.

Bailey Glasser's sophisticated corporate practice provides strategic guidance, counseling, and innovative solutions in virtually every type of corporate, real estate, and financial transactions. Those projects include business formations, public and private securities offerings, corporate finance transactions, mergers and acquisitions, spinoffs, real estate development, leasing, personal property transactions, executive hiring and compensation, ownership disputes, and commercial lending. For more information, please visit www.BaileyGlasser.com.

Attorneys

James L. Kauffman

Patricia Mulvoy Kipnis

Practice Areas

Appellate and Supreme Court Practice