

**UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF NORTH CAROLINA
GREENSBORO DIVISION**

**MICHELE A. TRAPP, on behalf of
herself and others similarly situated**

Plaintiffs,

v.

CIVIL ACTION NO. _____

SUNTRUST BANK,

Defendant.

CLASS ACTION COMPLAINT

COMES NOW the Plaintiff, **MICHELE A. TRAPP** (hereafter the “Plaintiff”), by counsel, and for herself and others similarly situated, she alleges:

PRELIMINARY STATEMENT

1. This is a class action complaint prosecuted for the Defendant’s violations of the Federal Equal Credit Opportunity Act (ECOA), 15 U.S.C. §1691, *et seq.* The Defendant accepts and processes consumer credit applications, services existing credit accounts, participates in adverse actions against consumers and accesses consumer credit reports. Despite this role, the Defendant does not provide consumers with notices of adverse action that comply with the ECOA. Specifically, and by example, its notices withhold and do not reveal or disclose the specific reasons for adverse actions, as required under the ECOA.

JURISDICTION

2. This complaint is filed for violations of the Equal Credit Opportunity Act (“ECOA”), 15 U.S.C. §1691 *et seq.* This Court has jurisdiction over this matter pursuant to 28 U.S.C. §1331 and 15 U.S.C. §1691e. Venue is proper as the Defendant transacts its business in the Middle District of North Carolina, Greensboro Division.

PARTIES

3. The Plaintiff, **Michele A. Trapp**, is a natural person and a “consumer” and “applicant” for the purposes of the ECOA.

4. The Defendant to this lawsuit, **SunTrust Bank**, is a “creditor” for purposes of the ECOA.

FACTS

5. In or about February of 2014, Plaintiff submitted a completed a loan application for a loan from Defendant SunTrust Bank in order to make home improvements and to purchase a pontoon boat. The amount of the loan was approximately \$6,000.00, with favorable financing terms.

6. In or about February of 2014, Defendant SunTrust Bank decided not to approve Mrs. Trapp’s individual application for credit, and therefore took an adverse action.

7. In or about February of 2014, Defendant SunTrust Bank’s employee branch manager contacted Mrs. Trapp by telephone to inform her that SunTrust Bank denied her individual application for credit because her debt to income ratio was too high.

8. SunTrust Bank did not send Mrs. Trapp an adverse action letter within 30 days after her individual loan application was denied in violation of the Equal Credit Opportunity Act.

9. SunTrust Bank informed Mrs. Trapp that she would have a better chance of being approved for a loan if she and her husband made a joint application for a loan.

10. In or about February of 2014, Mrs. Trapp and her husband, David Allen Trapp, submitted a completed joint application for a loan from Defendant SunTrust Bank in order to make home improvements and to purchase a pontoon boat. The amount of the loan was

approximately \$6,000.00, with favorable financing terms.

11. In or about February of 2014, SunTrust Bank decided not to approve Mrs. Trapp's joint application for credit.

12. SunTrust's employee branch manager contacted Mrs. Trapp by telephone to inform her that her joint loan application had been denied because of a fraud warning that her husband's social security number was that of a deceased person.

13. Within 30 days after SunTrust informed Mrs. Trapp by telephone that her joint application for a loan was denied due to a fraud warning that her husband's social security number belonged to a deceased person, SunTrust sent Mrs. Trapp an adverse action notice.

14. The adverse action notice that SunTrust sent Mrs. Trapp states that the reason the loan was denied was:

Additional Information Required.

15. Defendant SunTrust Bank did not make a written disclosure of the specific reason for denying the loan or provide an address at which applicants can obtain a statement of specific reasons for the adverse action as required by the Equal Credit Opportunity Act and Regulation B.

16. Defendant's adverse action notice was a form letter. Plaintiff alleges that SunTrust Bank has similarly failed to provide a truthful and legally compliant statement of reasons for the adverse action taken on a loan application to every consumer credit applicant who received a form letter stating the reason for denial of the loan was "Additional Information Required."

17. The loan applications that Mrs. Trapp submitted were completed loan applications upon which SunTrust made a decision to decline to extend credit.

18. The loan applications that Mrs. Trapp submitted were not incomplete applications.

19. Upon information and belief, SunTrust Bank has no procedures in place to avoid the violations of the ECOA as alleged in this complaint.

20. Upon information and belief, SunTrust Bank knows that it is required to provide adverse action notices to consumers when it takes adverse actions on credit applications such as the individual and joint applications submitted by Mrs. Trapp.

21. SunTrust Bank has made a conscious decision to not provide consumers like Mrs. Trapp with a specific statement of reasons for denying their loan applications.

CLASS ALLEGATIONS

22. SunTrust Bank failed to provide an adequate statement of reasons for its adverse action to Plaintiff and the class members as required under the ECOA.

23. This action is alleged as a class action pursuant to Fed. R. Civ. P. 23(b)(2) on behalf of the following national class of individuals (“ECOA Class”):

(a.) All natural persons who have applied for credit with **SunTrust Bank** within the preceding two years; (b.) to whom **SunTrust Bank** did provide an ECOA adverse action notice; (c.) that supplied as the reason for taking adverse action “Additional information required.”

24. **Numerosity:** Upon information and belief, the Plaintiffs allege that the class of persons to be represented is so numerous that joinder of all members is impractical. Defendant’s website states that “with total assets of \$189 billion as of June 30, 2015, is one of the nation’s largest and strongest financial holding companies.” It has over “1,425 retail branches in and 2,150 ATMs in Alabama, Arkansas, Florida, Georgia, Maryland, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, West Virginia, and the District of Columbia.” <http://investors.suntrust.com/corporate-profile/default.aspx>.

25. **Typicality:** The letter mailed to Plaintiff was an obvious form letter. It is certain

that Defendant has mailed more than 100 of such letters. The Plaintiff's claim is not only typical of the class, but it is identical to the claims of each class member for the Defendant's failure to comply with the ECOA because it sent identical adverse action letters, none of which stated the specific or truthful reasons for taking adverse action.

26. **Commonality:** There are questions of law and fact common to the class and Plaintiff's claims are typical of the claims of all the potential class members. All are based on the same legal and remedial theories and the same reason stated in the denial letters. All are based on the simple class questions of whether or not Defendant failed to provide a specific and truthful statement of reasons for taking adverse action on loan applications in its adverse action notices and whether such failure violated the ECOA.

27. **Adequacy:** Plaintiff will fairly and adequately protect the interest of the class. Plaintiff has retained counsel who is experienced in handling class actions and litigation under the Federal Consumer Credit Protection Act. They are committed to the class and have no conflict with it.

28. **Superiority:** A class action is superior to other available methods for the fair and efficient adjudication of the controversy as to the ECOA class. There are no individual issues that would burden or impede litigation in the aggregate. Class resolution will provide a uniform decision on the legality of the Defendant's standard process. Further, absent class representation, it is certain that most class members will be unaware of their rights or be able to obtain adequate legal representation to prosecute those rights.

29. **Predominance:** Defendant has acted or refused to act on grounds that apply generally to the ECOA class such that uniform relief is appropriate. The class claim and the relief

sought in this class action predominate over any potentially individual claim a class member may have.

30. Defendant has made a conscious or reckless decision to disregard the ECOA's requirement to provide a specific statement of reasons for taking adverse action on consumer credit applications despite the plain language of the statute and the regulations promulgated by the Federal Reserve.

31. As a financial institution with over 1,425 branches and total assets of \$189 billion, SunTrust has more than adequate resources to comply with the ECOA's adverse action requirements.

32. Despite having clear instructions in the ECOA and Regulation B, SunTrust has refused to and failed to comply with the adverse action notice requirements persistently for the entire period of two years preceding the filing of this complaint.

COUNT I – Equal Credit Opportunity Act
Class Claim

33. The above-alleged actions and omissions of the Defendant with respect to the adverse action letter that failed to provide an adequate, truthful or specific statement of reasons for taking adverse action violated the ECOA, 15 U.S.C. §1691(d).

34. The Plaintiff and the putative ECOA class are entitled to damages of \$10,000.00 per violation, plus attorneys' fees and costs pursuant to 15 U.S.C. 1691e(d).

COUNT II – Equal Credit Opportunity Act
Individual Claim

35. The above-alleged actions and omissions of the Defendant for failure to send an adverse action notice with a statement of specific reasons for denying the Plaintiff's individual

application violated the ECOA, 15 U.S.C. §1691(d).

36. The Defendant is liable to the Plaintiff for actual damages as well as punitive damages of \$10,000.00, plus attorneys' fees and costs pursuant to 15 U.S.C. 1691e(d).

37. Plaintiff demands judgment for herself and on behalf of the initially-defined class against the Defendant for damages, attorneys' fees and costs, and such other specific or general relief the Court does find just and appropriate.

TRIAL BY JURY IS DEMANDED

Respectfully submitted,

Michelle A. Trapp, on behalf of herself and others
similarly situated,

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