

UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

Brothers v. First Leasing

724 F.2d 789 (9th Cir. 1984) · Decided January 24, 1984

SUMMARY

The Ninth Circuit held that the Equal Credit Opportunity Act applies to consumer leases. The court reversed dismissal of Patricia Ann Brothers’ claim that First Leasing discriminated on the basis of sex or marital status by requiring her husband’s financial information and signature and denying her lease application based on his bankruptcy.

CASE DETAILS

COURT	United States Court of Appeals for the Ninth Circuit
WRITING FOR THE COURT	Reinhardt, Circuit Judge; Alarcon; Canby; Reinhardt
JURISDICTION	Federal
DECIDED	January 24, 1984
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	Plaintiff appealed the district court's dismissal under Federal Rule of Civil Procedure 12(b)(6) of her Equal Credit Opportunity Act discrimination claim arising from the denial of a consumer automobile lease.
STANDARD OF REVIEW	The court reviewed de novo the Rule 12(b)(6) dismissal, accepting all material allegations as true and construing them in the light most favorable to the plaintiff.
PRECEDENTIAL VALUE	Published Ninth Circuit precedent; binding within the Ninth Circuit unless modified or overruled.
PARTIES	Patricia Ann Brothers v. First Leasing

TOPICS

- consumer protection
- statutory interpretation
- appellate procedure
- standard of review

PRACTICE AREAS

- consumer protection
- civil rights
- consumer credit law

QUESTIONS PRESENTED

1. Whether the Equal Credit Opportunity Act applies to consumer lease transactions.
2. Whether the district court erred in dismissing Brothers's discrimination claim under Federal Rule of Civil Procedure 12(b)(6).

HOLDINGS

1. The Equal Credit Opportunity Act applies to consumer leases and prohibits discrimination in consumer lease transactions covered by the Consumer Credit Protection Act.
2. The Rule 12(b)(6) dismissal was improper because the complaint stated a potentially viable ECOA claim based on a consumer lease.

KEY QUOTATIONS

"The sole issue on appeal is whether the ECOA applies to consumer leases. We hold that it does." (724 F.2d at 790)

"Because the language of the ECOA is broad and its antidiscriminatory purpose is overriding, and because the Consumer Leasing Act and the ECOA are part of a comprehensive umbrella statute designed to protect the interests of consumers, we conclude that the ECOA applies to consumer leases." (724 F.2d at 796)

FACTUAL BACKGROUND

Patricia Ann Brothers sought to lease an automobile for personal use in her own name. First Leasing required her to provide financial information about her husband, James A. Garske, and required him to sign the lease-credit application. After obtaining credit reports, First Leasing denied the application, citing Garske's prior bankruptcy as the principal reason. Brothers alleged that these requirements and the denial violated the Equal Credit Opportunity Act's prohibition on discrimination based on sex or marital status.

PROCEDURAL HISTORY

Brothers alleged that First Leasing discriminated against her on the basis of sex or marital status by requiring her husband's signature and relying on his bankruptcy history in denying her lease-credit application. The district court held that consumer leases were not covered by the Equal Credit Opportunity Act and dismissed the action. The Ninth Circuit reversed and remanded.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

The case was remanded for further proceedings consistent with the opinion. First Leasing could attempt to assert an affirmative defense based on reliance on the unofficial agency staff interpretation, subject to the requirements of 15 U.S.C. § 1691e(e).

CASES CITED

- Turner v. Prod, 707 F.2d 1109, 1114, 1121 (9th Cir. 1983)
- Rose v. Lundy, 455 U.S. 509, 517-18, 102 S.Ct. 1198, 1202-03, 71 L.Ed.2d 379 (1982)
- Chapman v. Houston Welfare Rights Organization, 441 U.S. 600, 608, 99 S.Ct. 1905, 1911, 60 L.Ed.2d 508 (1979)
- United States v. Sisson, 399 U.S. 267, 297-98, 90 S.Ct. 2117, 2133-34, 26 L.Ed.2d 608 (1970)
- United States v. Bacto-Unidisk, 394 U.S. 784, 799, 89 S.Ct. 1410, 1418, 22 L.Ed.2d 726 (1969)
- Unexcelled Chemical Corp. v. United States, 345 U.S. 59, 64, 73 S.Ct. 580, 583, 97 L.Ed. 821 (1953)
- United States v. Little Lake Misere Land Co., 412 U.S. 580, 593, 93 S.Ct. 2389, 2397, 37 L.Ed.2d 181 (1973)
- Addison v. Holly Hill Fruit Products, Inc., 322 U.S. 607, 617, 64 S.Ct. 1215, 1221, 88 L.Ed. 1488 (1944)
- Fong v. Immigration and Naturalization Service, 308 F.2d 191, 195 (9th Cir. 1962)
- Bob Jones University v. United States, 461 U.S. 574, 103 S.Ct. 2017, 76 L.Ed.2d 157 (1983)
- United Steelworkers v. Weber, 443 U.S. 193, 200-08, 99 S.Ct. 2721, 2725-2730, 61 L.Ed.2d 508 (1979)
- Donovan v. Southern California Gas Co., 715 F.2d 1405, 1408 (9th Cir. 1983) (per curiam)
- Hutchings v. Beneficial Finance Co., 646 F.2d 389, 392 (9th Cir. 1981)
- Eby v. Reb Realty, Inc., 495 F.2d 646, 650 (9th Cir. 1974)
- Anderson v. United Finance Co., 666 F.2d 1274, 1276-77 (9th Cir. 1982)
- Markham v. Colonial Mortgage Service Co., 605 F.2d 566, 569 (D.C. Cir. 1979)
- Green v. County School Board, 391 U.S. 430, 438, 88 S.Ct. 1689, 1694, 20 L.Ed.2d 716 (1968)
- Fullilove v. Klutznick, 448 U.S. 448, 472-92, 100 S.Ct. 2758, 2771-2781, 65 L.Ed.2d 902 (1980)
- United States v. Heirs of Boisdore, 49 U.S. (8 How.) 113, 121, 12 L.Ed. 1009 (1849)
- Pennhurst State School & Hospital v. Halderman, 451 U.S. 1, 18-19, 101 S.Ct. 1531, 1540-1541, 67 L.Ed.2d 694 (1981)
- Adams v. Howerton, 673 F.2d 1036, 1040-41 (9th Cir. 1982), cert. denied, 458 U.S. 1111 (1982)
- Pacific Legal Foundation v. State Energy Resources Conservation & Development Commission, 659 F.2d 903, 926 (9th Cir. 1981), aff'd sub nom. Pacific Gas & Electric Co. v. State Energy Resources Conservation & Development Commission, 461 U.S. 190 (1983)
- Blair v. City of Chicago, 201 U.S. 400, 475, 26 S.Ct. 427, 446, 50 L.Ed. 801 (1906)
- Bailey v. Tarr, 469 F.2d 409, 412 (9th Cir. 1972)
- Western Pioneer, Inc. v. United States, 709 F.2d 1331, 1335 (9th Cir. 1983)
- Thomas v. Myers-Dickson Furniture Co., 479 F.2d 740, 747 (5th Cir. 1973)
- Skidmore v. Swift & Co., 323 U.S. 134, 140, 65 S.Ct. 161, 164, 89 L.Ed. 124 (1944)
- Davis v. Colonial Securities Corp., 541 F. Supp. 302, 305 (E.D. Pa. 1982)
- Jenkins v. McKeithen, 395 U.S. 411, 421, 89 S.Ct. 1843, 1848, 23 L.Ed.2d 404 (1969)
- Benson v. Arizona State Bd. of Dental Examiners, 673 F.2d 272, 275 & n.7 (9th Cir. 1982)
- Lodge 1380, Bhd. of Ry., Airline & Steamship Clerks v. Dennis, 625 F.2d 819, 825 (9th Cir. 1980)

