

Client Alert

Current Issues Relevant to Our Clients

August 13, 2015

Second Circuit Declines to Rehear Madden Case

We previously advised of the Second Circuit decision in the case of *Madden v. Midland Funding, LLC* (No. 14-2131-cv, 2015 WL 2435657) in a Client Alert, which is available [here](#). In that case, the Second Circuit narrowly interpreted the scope of federal preemption of state usury laws under the National Bank Act as such laws apply to certain non-bank loan assignees.

The *Madden* decision appears to be contrary to other federal circuit court decisions and inconsistent with longstanding commercial practice. On August 12, 2015 the Second Circuit nonetheless denied the co-defendants' request that the Second Circuit reconsider the case. It is not known at the date of this alert whether the co-defendants will seek to appeal the case to the Supreme Court or, if they do, whether the Supreme Court will agree to hear the case.

For More Information

For more information, please contact [Marc Franson](#) (312.845.2988), [Michael Himmel](#) (212.655.2505), [Peter Manbeck](#) (212.655.2525), [Ken Marin](#) (212.655.2510) or your primary Chapman attorney, or visit us online at [chapman.com](#).

This document has been prepared by Chapman and Cutler LLP attorneys for informational purposes only. It is general in nature and based on authorities that are subject to change. It is not intended as legal advice. Accordingly, readers should consult with, and seek the advice of, their own counsel with respect to any individual situation that involves the material contained in this document, the application of such material to their specific circumstances, or any questions relating to their own affairs that may be raised by such material.

To the extent that any part of this summary is interpreted to provide tax advice, (i) no taxpayer may rely upon this summary for the purposes of avoiding penalties, (ii) this summary may be interpreted for tax purposes as being prepared in connection with the promotion of the transactions described, and (iii) taxpayers should consult independent tax advisors.

© 2015 Chapman and Cutler LLP. All rights reserved.

Attorney Advertising Material.