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In Victory For WLF, Fourth Circuit Vacates District Court Judgment Ignoring Article III's Standing Requirements

(Alig v. Quicken Loans)

“The District Court ignored Supreme Court precedent by allowing plaintiffs who suffered no Article III injury to sue in federal court.”

—John Masslon, WLF Senior Litigation Counsel

WASHINGTON, DC—The U.S. Court of Appeals for the Fourth Circuit today vacated a district court judgment and remanded for further proceedings in light of intervening Supreme Court precedent. This outcome was a victory for Washington Legal Foundation, which filed an *amicus curiae* brief urging the court to overturn a decision of the U.S. District Court for the Northern District of West Virginia that allowed uninjured class members to recover damages in a class-action lawsuit.

The appeal arose from Quicken Loans's pre-2009 practice of providing appraisal companies with the estimated home values of borrowers seeking to refinance their mortgages. Although they successfully refinanced their mortgages, the named plaintiffs alleged that this practice denied them an independent appraisal in violation of West Virginia's Consumer Credit and Protection Act. The District Court certified a class of almost 3,000 people, granted the class summary judgment, and awarded over \$10 million in damages.

As WLF's brief showed, the District Court's order cannot be squared with the Supreme Court's recent decision in *TransUnion v. Ramirez*. As the Court explained, all plaintiffs must suffer an actual, not hypothetical, Article III injury for district courts to have jurisdiction to certify a class. Absent an injury-in-fact, district courts lack jurisdiction over the case. On remand, the District Court should swiftly dismiss the case for want of jurisdiction.

Celebrating its 45th year, WLF is America's premier public-interest law firm and policy center advocating for free-market principles, limited government, individual liberty, and the rule of law.

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