

State Watch: Consumer Protection Enforcement Update

March Madness: Colorado takes aim at a debt collector while New Jersey targets motor vehicle dealer sales and advertising practices and Texas continues its aggressive privacy enforcement push.

March 17, 2026 | [Anastasia V. Caton](#)

Colorado

Colorado Attorney General Weiser and the Administrator of the Colorado Fair Debt Collection Practices Act settled with a collection agency over allegations that the company engaged in deceptive and unlawful debt collection practices. The AG claims that the company sent letters to consumers purporting to be from its medical provider client rather than the collection agency, failed to identify itself in communications, and made debt collection calls to Colorado consumers in excess of federal Regulation F's 7-in-7 call frequency limitations. The settlement requires the company to stop engaging in unlawful and deceptive collection practices and pay \$43,500 in costs to the AG's office.

Connecticut

Connecticut Attorney General Tong released a memorandum on artificial intelligence directed to state officials and agencies, as well as the public. The memorandum describes the primary state laws that the AG's office believes apply to AI, including civil rights laws, privacy and data security laws, the Unfair Trade Practices Act, and antitrust laws. The memorandum also advises consumers on their rights under Connecticut law and provides guidance to businesses on how to responsibly deploy and manage AI tools.

Massachusetts

Massachusetts Attorney General Campbell joined the growing list of states settling with a Florida-based real estate brokerage over the company's homeowner benefit agreements. According to AG Campbell, the HBAs involved a small up-front payment to the homeowner in exchange for a 40-year long exclusive right to act as the listing agent when the homeowner decided to sell. The HBAs also required the homeowner to pay the company in the event of any other transfer of the home, such as death or foreclosure. The AG goes on to claim that the company's advertisements targeted consumers looking for information on small loans or public benefits and included deceptive claims that the program was a government sponsored program and that the consumer would never have to repay the funds. The AG further alleges that the company harassed leads and, once the consumer agreed to the HBA, aggressively concealed its terms. Under the terms of the settlement, the company and its CEO must pay

\$2.25 million dollars to the Commonwealth, with \$1.85 million suspended pending compliance with the consent order. The settlement also enjoins the company from enforcing its HBAs.

Minnesota

Minnesota Attorney General Ellison issued a [press release](#) about the state's new Consumer Data Privacy Act, which took effect six months ago. The press release highlights the AG's early efforts to enforce the new law, including its education efforts, privacy complaint portal, complaint review process, and warning letters to businesses. Until January 31, 2026, the AG was required to give notice 30 days before suing to enforce the law. Now, the AG is not required to provide such notice before suing.

New Jersey

Acting New Jersey Attorney General Davenport obtained a [judgment](#) against a car dealership for its advertising practices and alleged violations of a 2018 consent order with the AG's office. The AG claims that the dealership violated New Jersey's Consumer Fraud Act by failing to disclose accurate pricing information to consumers and failing to disclose information on vehicle history and safety. The 2018 consent order involved the dealership's sale of "gray market" vehicles that did not meet U.S. safety or emissions standards. The AG claims that the dealership continues to engage in deceptive "gray market" sales practices. The dealership will pay nearly \$800,000 in civil penalties along with almost \$50,000 to reimburse the state for costs.

Texas

Texas Attorney General Paxton [sued](#) a global online shopping platform for, according to the AG, having its mobile application act as a "trojan horse" to access users' private data and expose that data to the Chinese Communist Party. The AG claims the company uses deception to sell inexpensive products while monetizing consumers' personal data without their knowledge or consent. The lawsuit alleges violations of Texas's Deceptive Trade Practices Act and seeks up to \$10,000 per violation, and up to \$250,000 per violation for consumers over the age of 65.

AG Paxton [settled](#) with a smart television manufacturer over its purported collection of automated content recognition data. The settlement requires the company to fully inform consumers and obtain their express consent before collecting such information. The settlement follows on the heels of a lawsuit against the company over its data collection practices.

Multistate

The attorneys general of 23 states and the District of Columbia submitted a [comment](#) opposing a proposed rule issued by the U.S. Office of Fair Housing and Equal Opportunity of the Department of Housing and Urban Development. The proposed rule would eliminate the disparate impact test for housing discrimination under the Fair Housing Act. The comment is submitted by the attorneys general of Arizona, California, Colorado, Connecticut, Delaware, District of Columbia, Hawaii, Illinois, Maine, Maryland, Massachusetts, Michigan, Minnesota, Nevada, New Jersey, New Mexico, New York, North Carolina, Oregon, Rhode Island, Vermont, Virginia, Washington state, and Wisconsin.

A bipartisan group of state attorneys general and state banking regulators submitted a [comment](#) opposing the Office of the Comptroller of the Currency's proposed rule allowing national banks to set the terms of mortgage escrow accounts and preempting state mortgage escrow laws, including state law

requirements to pay interest on mortgage escrow accounts. Attorneys general for the states of Arizona, California, Colorado, Connecticut, Delaware, the District of Columbia, Hawaii, Illinois, Kansas, Maine, Maryland, Massachusetts, Michigan, Minnesota, New Jersey, New York, North Carolina, Oklahoma, Oregon, Rhode Island, Vermont, Virginia, and Washington state, as well as banking regulators for the states of California, Hawaii, Maryland, New York, North Carolina, and Oregon, joined in the comment letter opposing the proposed rule.

Join us for our next quarterly update on state enforcement on Tuesday, May 19 at 2:00 pm ET. Click [here](#) to register for the webinar. Click [here](#) to learn more about Hudson Cook's State Enforcement Practice.

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