



Consumer Federation of America

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Civil Rights, Union, Consumer Organizations Urge Conferees: Auto Dealers Should NOT Be Exempt from the Consumer Financial Protection Bureau

Washington, DC – Today, organizations representing civil rights, unions and consumers sent a [letter](#) to the conferees on the financial reform bill urging them to include auto dealers who are brokers or creditors to be under the purview of the new Consumer Financial Protection Bureau.

“Too many car buyers are steered into predatory auto loans, just as so many home buyers were steered into predatory mortgages,” said Cora Ganzglass, Legislative Director at the National Association of Consumer Advocates. “With the average price of a new car now \$28,000, the consequences of these loans can be financially devastating.”

“Auto dealers, whether arranging financing or providing financing themselves, all too often engage in discrimination against minorities,” said Nancy Zirkin, Executive Vice President at the Leadership Conference on Civil and Human Rights. “As many academic studies and class action lawsuits have shown, minority car buyers pay significantly higher dealer markups than non-minority car buyers with the same credit scores. That’s why it’s simply unacceptable to exclude auto dealers from oversight by the Consumer Financial Protection Bureau.”

“An auto dealer exemption from the CFPB goes against the very purpose of the agency, which is to regulate by product, not by provider,” said Susan Weinstock, Financial Reform Campaign Director at Consumer Federation of America. “The exemption creates an uneven playing field, where bank and credit union auto loans will be covered, but auto dealer loans will not. The community banks and credit unions oppose this special interest carve-out and so should the conferees.”

The Consumer Federation of American is a non-profit association of more than 280 groups that, since 1968, has sought to advance the consumer interest through advocacy and education.