
Protecting the Federal Trade Commission's CARS Rule

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America*



**Virtual
Consumer
Advocacy Week
2024**



The **FTC CARS Rule** and the **FTC REDO Act**

SUPPORT the **FTC CARS Rule** and **OPPOSE** the **FTC REDO Act**.

The [CARS Rule](#) (Combating Auto Retail Scams) was proposed in July 2022 and finalized in December 2023. No Congressional Review Act has been filed, but the auto dealer lobby has worked to introduce the FTC REDO Act, which would stop the CARS Rule from becoming law and hinder the FTC from issuing future auto dealer rules.

[Federal Register link to Rule.](#)

Why do we need the **FTC** **CARS Rule?**

Talking Points for the FTC CARS Rule

Auto Financing is Opaque and Inequitable

Consumers spend hours and hours just trying to learn the price of a car. Consumers spend an average of 15 hours on a car purchase, including several hours just to get the final, “out the door” price of the car.

Financing a car is expensive and complex, and many consumers are confused by the process. Auto is the largest source of non-mortgage consumer debt in the United States, and the cost of cars has risen dramatically in recent years. In the negotiations, dealers often focus on monthly payment amounts rather than the total price, which can be misleading about how expensive the transaction will be.

Junk fees in auto sales disproportionately harm consumers in historically marginalized communities. The FTC has brought numerous enforcement actions against dealers who have harmed Black, Hispanic and Native American consumers with unfair and deceptive junk fee practices ([see page 4-5 of FAQ's](#)), and [research has revealed](#) how dealers impose higher add-on prices to Black and Hispanic consumers.

Military servicemembers are frequently targeted by unethical dealers. Young servicemembers who need a car on base are a prime target for dishonest dealers, and the vast majority (over 79%) of military counselors have [reported handling auto dealer complaints](#).

What does the **FTC CARS Rule** do?

What does the Rule **REQUIRE** dealers to do?

- Offering Price
- Transparent financing information

What does the Rule **PROHIBIT**?

- Servicemember focus
- Junk and hidden fees

What **BENEFITS** will the Rule have?

- Time, money, and trust

Brief on FTC CARS Rule

The FTC C.A.R.S. Rule

COMBATING AUTO RETAIL SCAMS

[View Frequently Asked Questions](#)



What does the rule do?

REQUIRES DEALERS TO:

Offering Price

Provide the honest price of the car up front to consumers

Monthly Payment Comparison

Tell consumers when lower monthly payments mean a higher price

Total of Payments

Tell consumers the full cost of the car, rather than focusing on monthly payments

BANS DEALERS FROM:

Scamming Military Servicemembers

Lying about their affiliation with the military or other government agencies

Junk Fees

Selling add-ons that provide zero benefits

Hidden Charges

Charging for any item without express informed consent

C.A.R.S. Rule Benefits



\$3.4 BILLION
saved by consumers



2 HOURS
of time saved per
car purchase



MORE TRUST
in a transparent
process



**FAIR
COMPETITION**
for honest dealers



MONEY BACK
to people scammed
by car dealers

What is the **FTC REDO Act**?

House Version – H.R. 7101

Rep. Kelly Armstrong (R. ND)

10 [cosponsors](#)

Senate Version – S. 3014

Rep. Jerry Moran (R. KS)

2 [cosponsors](#) (Manchin/Young)

The National Auto Dealers Association has actively opposed the FTC's auto dealer rulemaking including suing the FTC in the Fifth Circuit and working to introduce the **FTC REDO Act**.

What does the **FTC REDO Act** do?

The REDO Act would undermine the FTC's authority to adopt **any rule** that regulates car dealers.

- Would stop the CARS Rule
- Would add in numerous steps to future FTC auto dealer rulemaking that only slow down the process

FTC REDO Act One-Pager

OPPOSE THE FTC REDO ACT

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S 3014
HR 7101

The **FTC REDO Act** would **STOP** the **FTC's CARS rule** from becoming law. This means the Act would **STOP** efforts to require up-front and honest car pricing and **STOP** efforts to rein in junk fees in car sales.

The **FTC REDO Act** **RESTRICTS** the **ability of the FTC to help car buyers** by inserting **numerous unnecessary hurdles** to the process of issuing a rule to regulate deceptive car dealers.

TELL CONGRESS TO REJECT THE FTC REDO ACT AND SUPPORT CAR BUYERS.

Resources

Share with Hill staff pre-meeting

- *FTC REDO Act One-pager*
- *Brief on FTC CARS Rule*

Review pre-meeting (don't share with staff)

- *Cosponsor lists (almost all R's)*
- *Talking Points for the FTC CARS Rule*

Deeper Dive on CARS Rule?

- *Slide Deck from 3/11/2024 Webinar*
- *Blog Series: FTC CARS Rule*

Common misconceptions about the Rule?

- *FAQs and Resources about the FTC CARS Rule*

These documents are on the CAW website - <https://consumerfed.org/consumer-advocacy-week-2024/>

The **FTC CARS Rule** and the **FTC REDO Act**

ASK THE LEGISLATOR TO
SUPPORT the **FTC CARS Rule** and
OPPOSE the **FTC REDO Act**.

Questions?