



Auto Dealer Regulation Post- Dodd/Frank

Americans for Financial Reform
Field Webinar

Dealer Regulation

- FTC retains regulatory authority over dealers
 - Streamlined regulatory authority
 - Enforcement power
- FTC can regulate markups and yo-yo's as dealer conduct
- FTC has already taken enforcement action against:
 - Pay off your trade in no matter what scams
 - Car loan modification scams
- FTC Roundtables

Dealer Regulation

- CFPB has rulemaking authority under consumer financial laws and to prevent unfair, deceptive or abusive acts.
- Dodd-Frank included exemption for franchise car dealers and larger independent dealers.
 - Exclusion: Car dealers that primarily engage in the sale or lease of vehicles to consumers AND service of vehicles AND routinely assign finance contracts to unaffiliated third parties are exempt.
- Takes most franchise dealers out (those with service departments), leaves independents without service department and Buy Here-Pay Here lots in.

Dealer Regulation

- Takes most franchise dealers out (those with service departments), leaves independents without service department and Buy Here-Pay Here lots in.
- CFPB also has authority over the lenders that buy installment contracts from dealers.
 - Dealer markup
 - Conditional financing – TILA implications
 - ECOA/Fair Lending
 - Military Impact

Contact Information



Chris Kukla

Senior Vice President

Center for Responsible Lending

chris.kukla@responsiblelending.org

www.responsiblelending.org