Written Statement of the National Automobile Dealers Association
Submitted For the Hearing On
"Examining Discrimination in the Automobile Loan and Insurance Industries"
Before the Subcommittee on Oversight and Investigations of the
Committee on Financial Services U.S. House of Representatives
May 1, 2019

The National Automobile Dealers Association (NADA) is a national trade association representing more than 16,000 franchised new car and truck dealers that collectively employ more than 1 million individuals.[1] NADA is pleased to submit comments for the record to explain how dealer-assisted financing expands credit access and helps make vehicles affordable for consumers.

As the Subcommittee examines studies related to auto financing, NADA respectfully urges Congress to carefully analyze the data some organizations have released, since there are numerous examples of outdated, incomplete, and misleading research regarding fair lending concerns that do not accurately represent the current auto finance market.

NADA strongly supports fair-lending protections and has promoted vigorous compliance with our nation's fair credit laws (see attached "Our Commitment to Fair Credit"). The dealers' commitment to fair lending is demonstrated by the voluntary creation, implementation and promotion of NADA's proactive Fair Credit Compliance Program[2], based on a Department of Justice (DOJ) model, which effectively manages fair credit risk while preserving discounts on credit for legitimate business reasons, such as meeting consumer budget constraints and competing offers. NADA, the National Association of Minority Automobile Dealers, and the American International Automobile Dealer Association jointly released this program, and numerous fair credit experts across the country have endorsed this approach.

We appreciate the opportunity to provide additional material to ensure the Subcommittee's oversight includes balanced information and considers the benefits of a competitive marketplace for all vehicle buyers.

Dealer-Assisted Financing Makes Credit More Accessible and Affordable for Consumers

Dealer-assisted financing (which is also referred to as "indirect financing") promotes competition and vehicle affordability for consumers. This is true for many reasons including the overall efficiency of the model and the fact that auto dealers have relationships with a wide variety of banks, credit unions and finance companies. The result of all this is that dealers can offer consumers competitive financing right at the dealership. Dealer-assisted financing allows consumers to benefit from dealers' access to many lenders (including lenders the consumer could not access directly), all vying to provide vehicle financing to consumers.[3]

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[1] NADA members are primarily engaged in the retail sale and lease of new and used motor vehicles, and engage in automotive service, repairs, and parts sales. Last year America's franchised new car and truck dealers sold or leased more than 17 million new cars and light duty trucks. NADA members operate in almost every congressional district in the country, and the majority of our members are small businesses as defined by the Small Business Administration.

[2] https://www.nada.org/WorkArea/DownloadAsset.aspx?id=21474838176

[3] Dealers create the competitive market where lenders such as a banks and credit unions compete against other lenders, and dealers compete against other dealers for consumer business. Dealers' ability to meet or beat competing offers generates downward pressure on all prices as other lenders in the market know the dealer can negotiate down to win the sale.

In this indirect financing model, the dealer absorbs the retail costs of marketing and distributing the loan, costs which but for the dealer the ultimate lender would need to incur itself.[4] The consumer often benefits because the dealer is typically more efficient in overseeing those localized costs and the dealer has the flexibility to discount its retail margin by lowering the consumer's APR to beat a competing offer or to fit the customer's budget. Dealer-assisted financing routinely provides vehicle buyers with better finance rates than they could get on their own from a bank or credit union.

The Current Competitive Market for Indirect Auto Finance Facilitates Interest Rate Discounts

Indirect auto lenders impose maximum contract rates, caps that limit dealer compensation for arranging dealer-assisted financing. Dealer compensation caps for indirect auto financing have been nearly universally present for more than a decade.[5] These caps provide a dealer financing market that operates under a competitive "mark-down" system. The finance source underwrites and funds the auto loan and sets the maximum annual percentage rate (APR) based on the borrower's credit history. The dealer either offers that maximum rate or discounts it to meet market competition and benefit the consumer. Moreover, the strong competitive forces of the vehicle finance marketplace also operate to keep both APRs low and dealer compensation, on average, well below these caps.[6]

In 2013, the Consumer Financial Protection Bureau's (CFPB) issued auto finance guidance[7] that pressured auto lenders to eliminate or limit a dealer's ability to discount credit for consumers. The CFPB guidance attempted to change the $1.1 trillion auto loan market and limit market competition without prior public comment, using flawed analytical methods and without studying or considering the impact of the guidance on consumers.[8] By limiting market competition, the CFPB's policy would have increased the overall cost of auto loans for consumers and potentially pushed the marginally creditworthy out of the auto market.

In 2018 Congress passed S.J.Res. 57 with bipartisan support to disapprove the CFPB auto finance guidance and preserve the ability of a dealer to cut into its own retail margin by discounting the APR offered to consumers to finance vehicle purchases. The resolution was similar to H.R. 1737, which also

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Infographic - https://www.nada.org/assets/0/21474836471/21474836597/21474836680/21474836902/21474837018/3791c544-31d2-4afd-9a2c-3424ae5a077d.jpg

[4] Dealer participation," or "dealer reserve," is the retail margin a dealer may earn for originating an indirect auto loan. In other words, it is the retail return on a dealer's investments for absorbing the costs related to serving as the "storefront" for indirect lenders. Like every other lender, the dealer receives this compensation for performing the essential retail distribution for this financing. These costs include salaries for dealer finance staff, point of sale compliance, software, utilities, and other overhead.

[5] In the late 1990s and early 2000s lawsuits were brought against auto finance companies (not dealers) alleging disparate impact, unintentional discrimination, in auto lending. Serious questions were raised about the quality of the data and the legitimacy of the statistical analyses that formed the basis of the claims. Nonetheless, those cases were settled and the settlements included caps on dealer compensation.

Importantly, notwithstanding that the settlement agreements that first established the caps at that handful of lenders that entered into the settlements have all now expired, these caps have remained in place and are now standard in the industry for virtually all lenders including the overwhelming majority that were not involved in the litigation. Moreover, in many instances, today's caps are significantly lower than the caps that were agreed to in the original settlements. Assertions that there are no caps in the marketplace today are simply (and grossly) erroneous.

[6] For example, a robust refinancing market exists in auto finance. The existence of this market further disciplines the pricing that is offered when auto loans are first originated because, if the auto loan carries an APR that is above-market, it will easily be refinanced and the original lender will lose the business that the original loan represented.

[7] CFPB Bulletin 2013–02, issued March 21, 2013: http://files.consumerfinance.gov/f/201303_cfpb_march_-Auto-FinanceBulletin.pdf 2

[8] In response to a letter sent by 22 Senators on this topic, the CFPB acknowledged that it never studied how eliminating a dealer's ability to discount credit would affect the cost of credit paid by consumers. (Letter from the Hon. Richard Cordray, Director, CFPB to Senators Portman (R-OH) and Shaheen (D-NH) (Nov. 4, 2013.)

would have rescinded the CFPB auto finance guidance and which passed the House in 2015 with the support of 88 House Democrats. NADA supported both H.R. 1737 and S.J.Res. 57, because both measures were advanced to both to ensure that proper procedures were followed in setting government policy in this area and, ultimately, to keep auto credit accessible and affordable for consumers. Significantly, S.J.Res 57 was a narrowly-tailored resolution that did not amend, change or impair the enforcement of any fair credit law or regulation.

Careful Review of Auto Finance Claims and Data Is Warranted

Congress is encouraged to closely review the statistics and other data used to allege fair credit issues since some organizations have circulated outdated, incomplete, and misleading research regarding the current vehicle loan market. For example, the National Consumer Law Center (NCLC) uses charts with outdated data to allege disparities in auto loans that are in some cases nearly two decades old and do not reflect the current auto finance market.

The NCLC bases its claims on allegations and obsolete sales data (ranging from January 1994 to September 2003) before auto lenders imposed caps that limit dealer compensation. This chart sets out data for a market that no longer exists.[9]

Another example of a flawed study that is frequently cited is the Center for Responsible Lending (CRL) report entitled "*Non-Negotiable*" which made inflammatory allegations regarding auto loans yet fails to factor in an individual's creditworthiness when determining a loan's interest rate. Since the 2014 CRL report did not consider the creditworthiness of the borrower, it is statistically meaningless.

Comparisons of credit are only statistically valid if borrowers are similarly situated (i.e., apples to apples). CRL instead cherry-picked minority respondents who (1) had, according to the report, "poorer credit than whites," (2) had lower incomes, (3) purchased a higher percentage of used cars, and (4) borrowed more on average than the non-minority respondents.[10] When the minority respondents claimed to pay a higher interest rate, CRL ascribed the reason solely to discrimination, instead of the fact that borrowers with poor credit pay higher interest rates than borrowers with excellent credit because of the greater risk. In fact, CRL's report itself acknowledged that its results "do not necessarily demonstrate discrimination."[11]

In another widely discredited study, entitled *Under the Hood*, CRL has also alleged that dealer-assisted financing "lead[s] to more expensive loans." Yet CRL did not provide ***any*** evidence in their report that dealer-assisted financing is more expensive than auto financing available from banks or credit unions.[12] In fact, what evidence exists shows that APRs are lower in indirect auto loans than in direct auto loans

[9] The original version of the chart that was circulated by the Subcommittee omitted important introductory material that appears on the version of the chart posted on the NCLC website. That introductory material confirms that the data included is "from the late 1990s to early 2000s." https://www.nclc.org/images/pdf/car_sales/ib-auto-dealers-racial_disparities.pdf The Subcommittee's memo was later corrected and confirms that the entire chart ONLY depicts data from the era before caps on dealer compensation were imposed – and thus is not relevant to today's market.

[10] Center for Responsible Lending, "*Non-Negotiable*" (Jan. 23, 2014) at 8, 9.

[11] Id. at 9.

[12] A point-by-point rebuttal of the *Under the Hood* report can be found here.

for similarly situated borrowers.[13] This is the case for many reasons, including that the costs of providing indirect financing are lower than those of direct lending and that a dealer's access to many lenders vying to provide financing to consumers often provides car buyers with better finance rates than they could get on their own. It should be noted that CRL is an organization "closely affiliated"[14] with the Self-Help Credit Union, an auto lender that directly competes with auto dealers.

A study by the National Fair Housing Alliance attempts to draw similarly unsubstantiated conclusions from sixteen cherry-picked auto shopping interactions, not from completed sales transactions. In a market with 17 million new sales annually, sixteen shopping transactions is such an insignificant sample size that the "study" is deprived of any statistically relevant significance. Also, the methodology of the study is not sufficiently explained to warrant specific conclusions about the price of financing. Furthermore, in several of the matched pairs transactions, the white testers would have paid more than the non-white testers, thus further eroding the study's value as evidence of widespread discrimination. Finally, the study did not use identically situated test subjects with debt to income ratios, incomes, etc.[15]

NCLC research also criticizes vehicle products such as service contracts and GAP (guaranteed asset protection) insurance but all the claims in the study are based on the review of data from ONE provider in the industry in 2012, as their footnote in Appendix B notes. Also, the NCLC alleges that these products are sold as mandatory products when in fact these products are voluntary. For these products to be included in the amount financed on a retail installment contract, the cost of the products must be separately stated in the contract and the consumer must separately consent to purchase the product. Lastly, this NCLC study has never been peer reviewed and the underlying data has never been released.

Finally, even some of the methods employed by the government need to be carefully reviewed. In issuing its 2013 guidance, the CFPB used a flawed method for identifying the background of consumers since their analysis was based solely on a borrower's zip code and last name.[16]

The Bayesian Improved Surname Geocoding (BISG) proxy methodology was designed to identify the backgrounds of specific populations, not to ascertain the specific background of an individual.[17] A non-partisan study by Charles Rivers Associates of the CFPB's use of the methodology found a 41% error rate for classifying the background of a significant group of consumers. As noted above, even the CFPB's own review of its analysis revealed a 20% error rate for the same group.[18] Additionally, the

[13] NADA Comments to Federal Trade Commission re: Motor Vehicle Roundtables, Appendix A (Mar. 30, 2012), available at https://www.ftc.gov/sites/default/files/documents/public_comments/public-roundtables-protecting-consumers-sale-and-leasing-motor-vehicles-project-no.p104811-00105/00105-82872.pdf.

[14] Center for Responsible Lending, "*Non-Negotiable*" Jan. 2014, p. 31.

[15] A correct fair lending analysis must identify and compare similarly situated consumers by holding constant variables such as the amount financed; trade-in value; competition in the local market; market conditions; demand and desirability for the vehicle; the consumer's payment capacity; and whether the car is new or used.

[16] Under previous leadership, the CFPB failed for three years to provide Congress policy analysis and answer direct questions to substantiate the guidance. Despite receiving 13 letters from Congress, signed by over 90 bipartisan Members and Senators, the Bureau never explained their analysis supporting the elimination of consumer discounts or fully answered fundamental questions raised by Congress.

[17] James Rufus Korean, "Feds use Rand formula to spot discrimination. The GOP calls it junk science" Aug. 28, 2016. https://www.latimes.com/business/la-fi-rand-elliott-20160824-snap-story.html.

[18] *Using publicly available information to proxy for unidentified race and ethnicity: A methodology and assessment* (2014), Table 10. https://files.consumerfinance.gov/f/201409_cfpb_report_proxy-methodology.pdf.

Charles River study revealed that CFPB's analysis was "conceptually flawed and subject to significant bias and estimation error."

The study noted that for a correct fair lending analysis, the CFPB must ensure the consumers compared are similarly situated by holding key variables constant, including the following: (1) the amount financed; (2) trade-in value; (3) competition in the local market; (4) market conditions; (5) demand and desirability for the vehicle; (6) consumer's payment capacity; and (7) whether the car is new or used. Also, manufacturers provide dealers sales incentives that can operate to motivate a dealer to arrange financing a car at a discount or loss in order to achieve certain sales goals. If this factor is present, it must be taken into consideration as a dealer often has a vested interest in selling the car at a financing discount both to make the sale and to create customer loyalty that results in return business for parts, service, and future car purchases.

The Charles River study found that the CFPB's findings of variations in interest rates were significantly overstated and failed to consider legitimate and lawful factors, such as budget constraints and competing offers, which explain why a dealer may discount an interest rate and why prices vary from consumer to consumer.[19] Especially in the context of this hearing, it is important to note that a rebuttal of the comprehensive Charles River study has never issued. *See also Fair Credit for Auto Loans: Too Important to Get Wrong.*[20]

Why then did Ally Bank settle with the Department of Justice and the CFPB, when the CFPB was using a flawed methodology for identifying the background of consumers? Unfortunately, Ally could not rebut the CFPB's assertions because the Bureau refused to inform Ally how it had calculated fair lending bias.

Additionally, the CFPB is a powerful regulator with tremendous leverage over lenders, and but for several factors, which were unrelated to the auto lending issue, it is unclear whether Ally Bank would have settled with the CFPB:

According to Ally's then-CEO, Ally was motivated to settle with the CFPB because of "…a desire to get the consent order behind it so it could move forward on other urgent business."[21] That urgent business included getting the Federal Reserve Board to approve Ally's application to become a financial holding company, enabling Ally to continue offering insurance products and services that Ally might have been forced to discontinue. According to the *Wall Street Journal*, "Standard & Poor's Ratings Services… warned it would potentially lower the company's ratings if it failed to secure financial holding company status."[22] Ally's application was approved three days after Ally signed the consent order, and "the CFPB was one of a number of regulators that had input on the Federal Reserve's decision on financial holding company status."[23]

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[19] Charles River Associates, *Fair Lending: Implications for the Indirect Auto Finance Market* at 4 (Nov. 2014).
[20] Infographic: Fair Credit for Auto Loans: Too Important for the CFPB to Get Wrong (2017).
[21] Jim Henry, "*Ally won't be a 'Trojan horse' -- Lender sticks with dealer reserve, defies CFPB,*" Automotive News, Feb. 3, 2014.
[22] Andrew Johnson, "*Ally Receives Fed Approval for Financial Holding Company Status*," Wall St. Journal, Dec. 23, 2013.
[23] Jim Henry, "*Ally won't be a 'Trojan horse' -- Lender sticks with dealer reserve, defies CFPB,*" Automotive News, Feb. 3, 2014.

Ally Bank was also motivated to settle because of its impending initial public offering. CFPB was aware of this fact, as the federal government owned 64 percent controlling interest in Ally Bank at the time. The then-CEO of Ally Bank told the press, "[n]o investor publicly was going to invest in us unless we got financial holding company status. And we could not do that without coming to terms with the CFPB."[24] On March 27, 2013, Ally announced an IPO where the U.S. government "would sell the bulk of its stake in the company."[25]

Conclusion

We end out comments to the Subcommittee where we began. In addition to analytical points we have raised, NADA would like to reiterate its strong commitment to fair credit. And we not only publicly state our position, we proactively provide our members with the tools they need to help implement this approach. From our Fair Credit Compliance Policy and Program to our extensive training and educational offerings to our recently released Voluntary Protection Products Policy and Program, NADA stands ready to help ensure that the vehicle financing market both addresses fair credit concerns and retains the flexibility needed to ensure that consumers can get competitively-priced, affordable credit.

NADA looks forward to working with the Subcommittee to keep auto financing competitive and to assist consumers and their families as they seek affordable transportation.

[24] Id.

[25] Tanya Agrawal, *"U.S. government to sell most of Ally Financial stake in IPO,"* Reuters, Mar. 27, 2014.

Our Commitment to Fair Credit

by PETER WELCH, NADA

In today's market, America's new car and truck dealerships sell around 50,000 new cars and trucks a day. Consumer access to affordable credit at dealerships, and interest rate discounts that local dealerships can provide their customers, are keys to driving those sales. Congress recently repealed a lending guidance issued by the federal Consumer Financial Protection Bureau (CFPB) that threatened to adversely affect dealer competition and consumers' access to interest rate discounts. The guidance was repealed because of serious agency process concerns, and because it inadequately recognized that dealerships can provide competitive credit while fully adhering to our nation's fair credit laws. NADA is firmly committed to helping dealerships achieve both key objectives.

Adherence to non-discriminatory access to credit remains a core value for America's new car and truck dealers. Simply put, the CFPB guidance is gone, but the anti-discrimination laws governing lending, like the Equal Credit Opportunity Act (ECOA), are not. The fair credit laws that govern dealer conduct remain part of the fabric of the law. Beyond the law, those statutes underscore a moral imperative to avoid discrimination and to treat all customers fairly and with respect.

Four and a half years ago, based on our twin commitments to competitive credit and fair lending, NADA partnered with the American International Automobile Dealers Association (AIADA) and the National Association of Minority Automobile Dealers (NAMAD) on a simple but incredibly important initiative. We sought to develop a compliance framework, available to all dealers on a voluntary basis, that enhances the ability of participating dealers to comply with our nation's fair credit laws while retaining the flexibility needed to meet the borrowing needs of the nation's car buyers.

Recognizing the need to promote these important goals, we re-examined a crucial question: Can fair lending compliance and consumer interest rate discounts coexist? Fortunately, the U.S. Department of Justice (DOJ), which had also been considering the issue for a long period of time, clearly determined that the answer was "yes."

Building on that conclusion, we developed a program that promotes compliance by better structuring the exemption-based discounting system that has long been the hallmark of an ECOA-compliant indirect auto financing market. The improved approach was designed to ensure that discounting remained possible but only in ways that assured that similarly situated people were treated the same,

PERCENTAGE OF VEHICLES WITH FINANCING

In 2017, 85.1% of new-vehicle buyers and 53.8% of used-vehicle buyers financed their purchases.

85.1% NEW

53.8% USED

TOTAL U.S. AUTO LOAN BALANCE

(2013-2017)

$800B 2013

$886B 2014

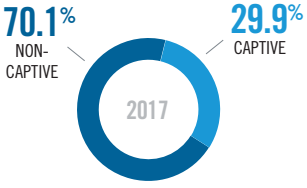
$987B 2015

$1.1T 2016

$1.2T 2017

MARKET SHARE OF TOTAL FINANCING

(new/used units and loan/lease)



Peter Welch is President & CEO of the National Automobile Dealers Association.

Learn more at nada.org/faircredit

regardless of race, national origin, religion, sex, age, or other protected characteristics.

How did we come up with this framework for maintaining fair credit compliance while preserving discounting? We didn't—the DOJ did.

In 2007, the DOJ entered into consent orders with two dealerships to resolve allegations of fair credit violations. These allegations were remarkably similar to the more recent ones brought against indirect finance sources by the CFPB.

Importantly, these DOJ consent orders did not eliminate either dealer participation or a dealer's ability to offer discounts. Instead, to permit consumers to continue receiving the tremendous benefits of discounting, the consent orders required the dealers to standardize the initial amount of dealer participation included in all retail installment sale contracts, and allowed deviations from that standard amount only in the presence of a legitimate business justification, such as a competing credit offer from another lender or a monthly budget constraint on the part of the customer.

It was a well-balanced and effective solution. Which is exactly why the NADA/AIADA/NAMAD Fair Credit Compliance Policy and Program (the Program) further operationalizes the DOJ framework and makes it available to all dealers. Just like the DOJ consent orders, the Program's approach takes race and other protected characteristics out of the equation entirely; it calls for a dealer who adopts the Program to standardize the amount of dealer participation for every customer, and only allows that dealer to deviate in one direction (downward), and only in response to a legitimate business reason—like marking down a rate to meet a competing offer or monthly budget constraint—that has nothing to do with race or any non-business factor.

NADA believes the Program represents the best approach to promote compliance with ECOA while preserving enough flexibility to allow customers to continue leveraging the overwhelming benefits that are produced by today's intensely competitive vehicle financing market. Dealerships that implement the Program reduce their discrimination liability risks under ECOA, and it is also unquestionably the right thing to do. Treating customers in a fair and consistent manner and strictly abiding by all anti-discrimination laws are central to the mission and success of franchised auto dealers everywhere. The Program reflects an unambiguous commitment to both of these principles.

For these reasons, much of our focus is on making the Program even easier to implement through partnerships with providers such as CU Direct, Dealertrack, and RouteOne. Thanks to these arrangements, the Program can easily be integrated into the F&I operations of participating dealerships, as well as automated. I am confident that we will see additional progress on this front in the coming months.

As long as I am President and CEO of NADA, I will continue to encourage every franchised dealer and dealership group to adopt and implement our Program. I will also continue to seek additional bipartisan support among federal policymakers—regardless of which party is in power—and encourage them to embrace the Program as the best way to ensure fair credit compliance in auto financing.

In the meantime, it is up to our industry to lead the way. We have at our disposal a way to affirm our commitment to abide by some of our nation's most important laws while doing right by our customers. That's a commitment that every dealer should be proud to get behind. ■

FAIR CREDIT FOR AUTO LOANS

TOO IMPORTANT FOR THE CFPB TO GET WRONG

The CFPB's fair credit initiative to eliminate or limit a dealer's ability to discount auto loans for consumers has several fundamental flaws, including three major problems:

1. The CFPB is using an analysis for determining the background of borrowers it knows to be flawed.
2. Its analysis does not compare customers that are similarly situated (alike in relevant ways).
3. It fails to account for legitimate, competitive business factors that may explain pricing differences.

PROBLEM 1:

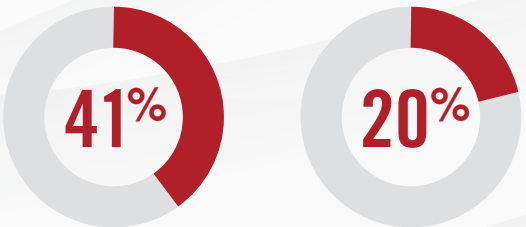
The CFPB's Consumer Analysis is Flawed

To evaluate whether dealer discounts for consumer auto loans adversely affects one group relative to another even when consistently applied, an analysis must first determine who is a member of a protected class (such as race, national origin, etc.). To determine a borrower's background, the CFPB relies on a method that: (1) was not designed to determine the background of individual borrowers; and (2) it knows to be flawed.

Flawed CFPB Method

Borrower ZIP Code + **Borrower Last Name** = **Error Rate**

A non-partisan study by Charles River Associates found a 41 percent error rate for classifying a significant group of minority consumers. The CFPB's own review revealed a 20 percent error rate for the same group.



Error rate found by study

Error rate admitted by CFPB

PROBLEM 2:

Analysis Fails to Compare Customers that are Similarly Situated

A proper fair credit examination must ensure that consumers being compared are both appropriately classified as belonging to a protected group (based on race, national origin, etc.) and that those consumers are similarly situated. For example, the CFPB does not compare customers that are alike in relevant ways since it does not take into account factors not related to a consumer's background that may impact loan rates, such as whether a consumer is buying a new or used car or different geographic markets.

Proper Method

Belonging to a protected group (based on race, national origin, etc.)

Alike in relevant ways (similarly situated)

PROBLEM 3:

The CFPB Fails to Look at Legitimate Business Reasons

Even if the CFPB accurately classifies the background of a borrower, and then does an "apples to apples" comparison of borrowers, the Bureau would still need to take into account "legitimate business reasons" for any pricing differentials. In 2007, the Department of Justice recognized seven legitimate business reasons for dealers discounting auto loans, such as to meet a consumer's monthly budget, or when a dealer "meets or beats" competing offers from a bank, credit union or other dealer. The CFPB, however, fails to account for legitimate, competitive business factors that may explain pricing differences.

Monthly Budget

OR

Competing Offer from Lender

=

Reduced Rate for Consumer

CONGRESS SHOULD HELP RESOLVE THIS IMPORTANT ISSUE

- Every consumer deserves to be treated fairly.
- The retail automobile industry has promoted a strong fair credit compliance program based entirely on the Department of Justice approach manages fair credit risk, and explains any pricing differences. The CFPB should embrace a DOJ-based program that addresses fair credit risk while preserving consumer discounts that keep auto credit affordable.
- It's important that government agencies follow due process and employ an independent and unbiased analysis, especially when dealing with such important issues of fair credit and consumer affordability.
- Congressional assistance is needed to bring this matter to a successful conclusion and to preserve consumers' access to affordable auto credit.

March 10, 2017