



NADA's FTC Court Challenge Fact Sheet

Q WHY IS NADA CHALLENGING THE FTC IN COURT?

A NADA is challenging the FTC in court to stop a rule that will **add massive amounts of time, complexity, paperwork and cost** to car buying and car shopping for **tens of millions of Americans** every year.

The FTC's Vehicle Shopping Rule is simply **terrible for consumers**.

Q IS A COURT CHALLENGE THE BEST COURSE OF ACTION?

A After a **rushed, utterly flawed and we believe illegal process**, the FTC issued its final Vehicle Shopping Rule in December 2023 and set a compliance deadline of July 30, 2024.

Because the FTC has failed at every juncture to justify these **wholesale changes to the way Americans shop for and purchase new cars**, NADA was left with no choice but to seek legal relief to prevent this rule from taking effect.

Background

- On January 4, 2024, NADA filed a court challenge against the FTC over its final Vehicle Shopping Rule – which the agency derisively named the “Combating Auto Retail Scams Trade Regulation Rule” or “CARS Rule.”
- The FTC claims its rule is in response to “chronic deceptive or unfair practices” in the auto retail marketplace. These assertions are misguided, completely unfounded, and do not reflect the modern auto retail industry.
- The rule is now final. It contains draconian penalties, and franchised dealers have been given less than 8 months to comply with the significant and unnecessary regulatory burdens laid out in the final rule.