

FOR IMMEDIATE RELEASE

May 17, 2010

www.cfecoalition.org

**THE CITIES FOR FINANCIAL EMPOWERMENT (CFE) COMMENT ON
AMENDMENT THAT WOULD EXEMPT AUTO DEALERS FROM NEW
LENDING RULES**

*Statement of CFE Co-Chair and New York City Consumer Affairs Commissioner
Jonathan Mintz and CFE Co-Chair and San Francisco Treasurer José Cisneros*

“The Cities for Financial Empowerment (CFE) Coalition urges the Senate to oppose Senate Amendment #3789, which would provide auto dealers with a carve-out from new lending rules designed to rein in abusive lending. As city governments, we see first hand how abusive auto loans harm residents in our cities. Auto dealers are major providers of financial services to city residents, often accounting for one of the most significant asset purchases our residents make and one of the most important financial obligations they undertake. Auto dealers that provide financing to buy cars should be treated the same as community banks, credit unions and others businesses that lend to facilitate the purchase of cars. In fact, auto dealers are the single largest channel for the origination of auto loans and leases, and our cities know from our enforcement initiatives that the terms and conditions of the auto sale are inextricably linked to the terms and conditions of the loan. Dealer overcharges on interest rates for financing cost consumers an estimated \$20 billion each year. The prevalence of auto dealer abuses and the importance of car loans to consumers demand their oversight and regulation by the Bureau of Consumer Financial Protection. The Senate must reject the auto dealer exemption in order to protect residents of cities across America.”

The CFE Coalition is led by New York City Mayor Michael R. Bloomberg’s representative, New York City Consumer Affairs Commissioner Jonathan Mintz, and San Francisco Mayor Gavin Newsom’s representative, Treasurer José Cisneros. The other member cities are Chicago, Illinois; Los Angeles, California; Miami, Florida; Newark, New Jersey; Providence, Rhode Island; San Antonio, Texas; Savannah, Georgia; and Seattle, Washington. CFE cities capitalize on local governments’ unique power and position to advance financial empowerment, work traditionally done in the nonprofit sector. In addition to the work CFE cities do locally, member cities work with key partners in the public, private and nonprofit sectors to leverage their collective power to advance the financial empowerment agenda on a state and national level. For more information, please visit www.cfecoalition.org.