

CFE Cities for Financial Empowerment

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New York City

San Francisco

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Chicago

Los Angeles

Miami

Newark

Providence

San Antonio

Savannah

Seattle

The Honorable Christopher J. Dodd, Chairman
Committee on Banking, Housing, and Urban Affairs
United States Senate

Dear Chairman Dodd,

The Cities for Financial Empowerment (CFE) Coalition¹ 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.

Respectfully,



Jonathan Mintz
Commissioner
NYC Department of Consumer Affairs
Co-Chair, CFE Coalition



José Cisneros
Treasurer
City and County of San Francisco
Co-Chair, CFE Coalition

¹ The Cities for Financial Empowerment (CFE) Coalition is a network of cities committed to advancing innovative financial empowerment initiatives locally and nationally. Expanding the vision of how municipal government can serve its citizens and create pathways for financial stability, CFE leverages opportunities and resources in the service of at-risk communities, and provides a platform for cities to work and learn collectively, forging partnerships with public, private, and non-profit sectors. CFE members include co-chairs New York and San Francisco, and member cities Chicago, Los Angeles, Miami, Newark, Providence, San Antonio, Savannah, and Seattle.