

WANADA Special Bulletin!

Immediate Response Requested

April 9, 2010

To: All Members

From: Gerard Murphy, president

Re: Legislation before the US Senate to create a Bureau of Consumer Finance Protection (BCFP) and the Brownback Amendment to exempt new car dealers

Action Requested: Urge Senators to Support the Brownback Amendment to the BCFP!

As have been widely reported here and elsewhere over the past several months, legislation is moving through Congress to create a super federal agency known as the Bureau of Consumer Finance Protection (BCFP), which is designed to regulate consumer credit and finance transactions. Banks and finance companies are the object of this new level regulation. But in the course of the legislative ebb and flow, new car dealers are targeted for inclusion in the bill when the Senate takes it up, perhaps as soon as next week. This is a problem because a BCFP could severely restrict dealer assisted financing, or regulate it out of the business entirely!

To keep this from happening, Sen. Sam Brownback (R-Kan) has offered an amendment to exempt dealers from the bill and prospective oversight by a BCFP should it pass.

NADA, which successfully kept the dealers out of the House Financial Regulation Bill, is now calling upon dealers nationwide to contact their senators with the urgent request that they support the Brownback amendment.

Here is why:

- The Brownback amendment preserves the ability of automotive consumers to access credit at affordable rates.
- Auto dealers didn't bring about the national credit problems that contributed to causing the recession and it is counterproductive to make dealers part of the focus of this new legislation.
- Banks and finance companies that underwrite and service loans will be covered by a BCFP, making further regulation of auto dealers redundant and unnecessary.
- Effective federal and state laws already exists that regulate dealers, such as the Equal Credit Opportunity Act, the Truth-in-Lending Act and the prohibitions against discriminatory lending.

WANADA members can contact their Maryland and Virginia senators via email or telephone requesting support for the Brownback amendment referencing the talking points noted above. In Maryland, contact Sen. Ben Cardin (D-MD) at <http://cardin.senate.gov/contact/email.cfm> or (202) 224-4524; and Sen. Barbara Mikulski (D-MD) at <http://mikulski.senate.gov/Contact/contact.cfm> or (202) 224-4654. In Virginia, contact Sen. Mark Warner (D-VA) at <http://warner.senate.gov/public/index.cfm?p=Contact> or (202) 224-2023; and Sen. Jim Webb (D-VA) at <http://webb.senate.gov/contact.cfm> or (202) 224-4024.

Feel free also, to contact other senators you might know from the showroom or service department by contacting the Senate switchboard locally at (202) 225-3121. And by all means, encourage automakers representatives and key employees to contact senators as well.

All are asked to share any noteworthy feedback with myself or John O'Donnell at gm@wanada.org or jod@wanada.org. Thank you for your cooperation!