

MEMORANDUM

To: All NIADA Members
From: Mike Linn, CEO
Date: April 6, 2010
Subject: *Senate Legislation - ACTION NEEDED!*

Dear NIADA Members,

ASK SENATORS TO SUPPORT THE BROWNBACK AUTO DEALER AMENDMENT TO THE FINANCIAL REGULATION BILL The Senate is likely to vote on financial reform legislation sometime after April 12. This bill would create a new Bureau of Consumer Financial Protection, which would have new authority to regulate auto lending, including potentially ending dealer-assisted financing. Last fall, dealer efforts were essential to passage of a provision in the House financial regulation bill that would exempt auto dealers from a similar agency. Senator Sam Brownback (R-Kan.) is planning to offer an amendment to exempt dealers during Senate consideration of the financial regulation bill.

ACTION NEEDED

With the Senate in recess until April 11, dealers are urged to call their Senators at 202-224-3121 and tell them to support the Brownback auto dealer amendment to the financial reform bill (due to the immediate timing of this piece of legislation, please do NOT write your Senators).

When talking to Senators or their staff about the Brownback amendment, please alert them to the following points:

- **Auto dealers did not cause the credit meltdown, and auto loans did not contribute to the worst financial crisis since the Great Depression.**
- **Financial reform legislation should focus on what led to the economic crash in 2008, and not be used as a means to increase regulation on dealers.**
- **The banks and finance companies that underwrite and service auto loans would be covered by the Bureau of Consumer Financial Protection, making further regulation of auto dealers costly and unnecessary.**
- **Effective Federal and state laws governing dealer-assisted financing already exist. Suggesting that without the Bureau of**

Consumer Financial Protection dealers would be left unregulated is false. Dealers are subject to extensive federal regulation (e.g., the Equal Credit Opportunity Act, Truth In Lending Act, etc.) and to the full range of state consumer protection statutes.

- **Laws and rules already make abusive practices unlawful (e.g., discriminatory lending), making creation of a new federal agency to again regulate dealers unnecessary.**

At this point, your efforts to educate the Senate on this important issue is crucial. Please contact Michael Esposito (Partner, Federal Advocates, Inc.) at mesposito@federaladvocates.com with feedback and intelligence on whether your Senators will stand up for affordable auto credit.

Thank you,

**Mike Linn, CEO
NIADA**