



To: National Independent Automobile Dealers Association
From: Shaun K. Petersen
Re: June 2015 Regulatory Update
Date: July 4, 2015

I. Consumer Financial Protection Bureau

A. Diversity Standards

The CFPB was among six federal agencies that issued final new diversity and inclusion standards that took effect on June 10, 2015 and apply to all entities regulated by the CFPB. Dodd-Frank Section 342 required the CFPB and other agencies to create an Office of Minority and Women Inclusion (OMWI) and directed each OMWI to develop standards for assessing the diversity policy and practices of entities regulated by that agency in the following areas: Organizational Commitment to Diversity and Inclusion; Workforce Profile and Employment Practices; Procurement and Business Practices—Supplier Diversity; and Practices to Promote Transparency of Organizational Diversity and Inclusion.

The standards recognize that a one size fits all approach is not practical and allows each entity to tailor its compliance approach to fit the entity, taking into account its size, total assets, number of employees, governance structure, revenues, number of members and/or customers, contract volume, geographic location, and community characteristics. A copy of the standards can be found here: <https://www.federalregister.gov/articles/2015/06/10/2015-14126/final-interagency-policy-statement-establishing-joint-standards-for-assessing-the-diversity-policies>.

These standards account for regulated entities providing certain information available to the public and the CFPB about diversity policies. The CFPB is soliciting comments about how this requirement might affect regulated entities. Comments must be submitted by August 10, 2015. NIADA is evaluating whether the submittal of comments is necessary.

B. Larger Participant Rule – Non Bank Automobile Finance

The Consumer Financial Protection Bureau released its final rule defining non-bank larger participants engaged in automotive financing today. Under the proposed rule, the CFPB will have authority to supervise any nonbank entity that makes, acquires or refinances 10,000 loans or leases in a year. The rule is virtually identical to the proposed rule the bureau released in September 2014, with a small modification to the category of transactions that would not be counted towards the threshold as an asset-backed security and a small change to the definition of refinancing for the purpose of the threshold.

The definition of refinancing is the same as in Regulation Z, except for purposes of application of the 10,000 annual aggregate originations, the non-bank entity need not be the original creditor or holder or servicer of the original obligation.

NIADA submitted comments to the CFPB in December, encouraging the bureau to consider a larger threshold of 50,000 annual originations but in no event considering less than 10,000. NIADA did not take issue with the CFPB's efforts to exclude auto title loans from the originations threshold.

NIADA's most significant comment about the proposed rule involved a suggestion that additional larger participant rules specific to Buy Here-Pay Here dealers might be needed. The CFPB affirmatively restated its position that it is appropriate and within its jurisdiction to consider a larger participant rule specific to BHPH dealers if it deems it appropriate. The CFPB believes BHPH is a different business model than other forms of automotive finance. NIADA will continue to work with the CFPB as it pertains to the BHPH market.

The new rule will take effect 60 days from the date it is published in the Federal Register, likely in late August.

Concurrent to the release of the new rule, the CFPB updated its Supervisory and Examination Manual to provide guidance on how the bureau will monitor bank and non-bank auto finance companies. Examiners will be looking closely at marketing directly to consumers to ensure companies are not using deceptive tactics. The bureau will assess whether information auto finance companies provide to credit bureaus is accurate. The bureau will review debt collection practices for compliance with applicable laws. And, the CFPB will closely watch compliance with the Equal Credit Opportunity Act to ensure discrimination is absent from the marketplace.

A copy of today's final rule is available at:

http://files.consumerfinance.gov/f/201506_cfpb_defining-larger-participants-of-the-automobile-financing-market-and-defining-certain-automobile-leasing-activity-as-a-financial-product-or-service.pdf.

For a copy of the examination procedures for the auto finance market, visit: http://files.consumerfinance.gov/f/201506_cfpb_automobile-finance-examination-procedures.pdf

C. Auto Lender Settles Collection Related Enforcement Action

The CFPB sued Security National Automotive Acceptance Company, an auto loan company specializing in lending to military servicemembers, for aggressive debt collection tactics. The CFPB alleges that used aggressive collection tactics that took advantage of servicemembers' special obligations to remain current on debts. (Both active-duty and former servicemembers could encounter trouble with the company if they missed or were late on payments.) Once the debtor defaulted, the CFPB claims they became subject to repeated threats to contact their chain of command or were told exaggerated consequences of not paying (i.e. false threats of wage garnishment or imminent legal action.)

A copy of the lawsuit can be found here:

http://files.consumerfinance.gov/f/201506_cfpb_complaint-security-national-automotive-acceptance-company.pdf

D. Letter From Congressional Republicans To Cordray

A group of more than 80 House and Senate Republicans sent a letter to Director Cordray asking the CFPB to reopen its arbitration study. The lawmakers state that the process that led to the study was not fair, transparent or comprehensive. The lawmakers ask the Bureau to reopen the study, seek public comment, and provide a cost-benefit analysis for understanding how a similarly situated consumer would fare in arbitration as compared to a lawsuit.

A copy of the letter can be found here:

<http://www.cfpbmonitor.com/files/2015/06/McHenry-Scott-to-Cordray-Letter-re-Arbitration.pdf>

E. Consumer Complaint Narrative Released to the Public

The CFPB announced that consumer narratives are now publicly available on the CFPB's consumer complaint database. The press release stated that the database now "7,700 consumer accounts of problems they are facing with financial companies concerning mortgages, bank accounts, credit cards, debt collection, and more." With the publication of the complaint narrative, the CFPB also introduced enhancements to the database such as:

- Search consumer narratives for product names or features such as the brand name of a credit card or a mortgage feature.

- Search for terms in consumer descriptions of what happened (with the CFPB giving as examples “lost paperwork,” “foreclosure scam,” or “robo-signing”).
- Sort complaints by state and zip code.

F. Potential Disparate Impact Settlement Agreements

American Banker is reporting that the CFPB is nearing settlement agreements with American Honda Finance Corp, Toyota Motor Credit Corp, and Nissan Motor Acceptance Corp related to claims the three entities were found to have had unintentionally discriminated against minority borrowers. The CFPB is purportedly claiming that dealers with whom these finance companies did business marked up loans at higher rates to minorities. The periodical is reporting that the companies will limit the discretionary pricing allowed to be charged by dealers and will require the companies to pay consumer restitution.

G. Supreme Court Ruling On Disparate Impact Theory

In a case the financial services industry was closely watching, the Supreme Court ruled 5-4 that disparate impact claims are valid legal theories under the Fair Housing Act. Although the case did not specifically deal with the Equal Credit Opportunity Act and automotive lending, it is believed that the CFPB and others will view this case favorably in their continued pursuit of disparate impact claims in automotive lending.

A copy of the opinion can be found here: http://www.supremecourt.gov/opinions/14pdf/13-1371_m64o.pdf

II. **Department of Justice**

A. Media Firm Owner Convicted of Defrauding Louisiana Dealerships

The owner of a Louisiana based media firm was sentenced to 135 months in prison for orchestrating a \$1.2 million dollar scheme to bill dealerships in Louisiana for fictitious advertising services. The owner admitted to billing dealerships for fictitious advertising expenses, falsely represented that such expenses were actually incurred when such was not the case, and used payments for his personal use and enjoyment.

III. **Department of Labor**

A. Notice of Proposed Rule Making On Overtime Changes

President Obama announced and the Department released an Office of Management and Budget approved Notice of Proposed Rulemaking that according to the announcement will:

- Raise the threshold under which most salaried workers are guaranteed overtime to equal the 40th percentile of weekly earnings for full-time salaried workers. As

proposed, this would raise the salary threshold from \$455 a week (\$23,660 a year) – below the poverty threshold for a family of four – to a projected level of \$970 a week (\$50,440 a year) in 2016.

- Extend overtime pay and the minimum wage to nearly 5 million workers within the first year of its implementation, of which 56 percent are women and 53 percent have at least a college degree.
- Provide greater clarity for millions more workers so they – and their employers – can determine more easily if they should be receiving overtime pay.
- Prevent a future erosion of overtime and ensure greater predictability by automatically updating the salary threshold based on inflation or wage growth over time.

The NPRM is expected to be published in the Federal Register on July 6. NIADA will review the NPRM and determine appropriate comments to file with the Department.

IV. Environmental Protection Agency

No significant activity.

V. Federal Trade Commission

A. Used Car Rule Enforcement Action Settled

Abernathy Motor Company, and its two owners, settled a lawsuit filed by the FTC alleging that they failed to comply with the FTC's Used Car Rule. The FTC claims that the dealership failed to display a Buyers Guide on used vehicles offered for sale. Under the terms of the consent order, the dealership is required to pay a \$90,000 civil penalty. The dealerships will be required to prominently display properly completed Buyers Guides on used vehicles offered for sale. Additionally, the dealership and its owners are prohibited from misrepresenting material facts about used vehicles offered for sale, including mechanical condition, the terms of any warranty offered, and that there is a warranty when a vehicle is sold without one. They are also barred from failing to disclose, before a sale, material terms and conditions, including that a used vehicle is sold without a warranty if none is offered, and the terms of any warranty.

This dealership was part of a sweep conducted in 2012 by the FTC of dealers in the Jonesboro, Arkansas area. The FTC found that many dealers were not properly completing the Buyers Guide or were not displaying them at all. The FTC sent warning letters to those dealers advising them of the need for compliance. The FTC alleged that in a follow-up visit, Abernathy had failed to comply with the warning letter.

B. Privacy Notice Rule Amendment for Car Dealers

The FTC proposed an amendment to its privacy notice rule to allow auto dealers that finance purchases or lease vehicles to provide online updates to consumers about their privacy policies as opposed to sending a yearly update via mail. Dealers will be able to provide an online policy solely so long as the company notifies the consumer on a yearly basis that the policy is viewable online. This notification is required to come from the dealership in some other legally mandated document provided to consumers. Dealers would still be required to provide consumers with a written copy of the notice upon request. If a dealer's privacy policy has changed since the consumer last received a written notice, the consumer must be provided the new policy in writing. Dealers who share consumers' personal information with third parties in a way that provides the consumers an opt-out right would not be allowed to solely provide the notice online.

NIADA is reviewing the changes to determine what comments may be necessary to submit to the Commission. This proposed rule change is similar to a recent rule passed by the CFPB to which the Association provided comment.

C. Las Vegas Dealers Settle Advertising Violations

Two Las Vegas area dealerships settled allegations from the FTC that they engaged in deceptive advertising. Planet Hyundai and Planet Nissan allegedly violated the FTC Act by running ads that misrepresented the purchase price of leasing offers of their vehicles and the amount due at signing. The dealerships prominently displayed \$0 down available and then in fine print noted that consumers must trade in a vehicle worth at least \$2,500. T

The dealerships also allegedly prominently stated that certain offers were purchases when such offers were leases. Those offers did not have the disclosures required by the Consumer Leasing Act.

VI. Internal Revenue Service

No significant updates.

VII. National Highway Traffic Safety Administration

A. Takata Recall Information

NHTSA announces that all VINS affected by the Takata air bag recall have been loaded into the agency's search system. The latest numbers released by NHTSA indicate 11 manufacturers and roughly 34 million vehicles are affected.

VIII. National Motor Vehicle Title Information System

A. Florida Enforcement Letters

In early June, the enforcement coordinator of NMVTIS sent a letter to approximately 700 businesses in Florida that had registered for a NMVTIS reporting ID number but to date had never used that number to report vehicles to NMVTIS. The enforcement coordinator worked with Florida officials and the NMVTIS data consolidators to coordinate this campaign. This letter was sent to some used car dealers.

A similar letter providing businesses with a general position statement from the Department of Justice on its interpretation of NMVTIS reporting requirements is also attached. Those required to report are junk or salvage yards, which are defined as “an individual or entity engaged in the business of acquiring or owning [junk or salvage] automobiles for –1) Resale in their entirety or as spare parts; or 2) Rebuilding, restoration, or crushing.” From the letter, the DOJ believes used car dealers may meet one of these definitions.

A copy of the two letters is attached hereto.

IX. New Jersey GPS bill

The proposed New Jersey legislation that would, among other things, would prohibit the use of starter interrupt devices unless the creditor lowered the interest rate charged the consumer to at least 10 points below the usury rate is still pending. Interested parties held a meeting with the sponsor of the bill in the New Jersey senate, which was a productive meeting. The primary sponsor of the bill in the Assembly will not budge off of the interest rate reduction, which the Association continues to oppose.



U.S. Department of Justice

Office of Justice Programs

Bureau of Justice Assistance

Washington, D.C. 20531

May 1, 2015

RE: Federal Enforcement of Requirements Regarding Businesses Engaged in Salvage and Total Loss Automobile Commerce

Dear Business Owner:

Reporting information on junk and salvage vehicles to the National Motor Vehicle Title Information System (NMVTIS)—supported by the U.S. Department of Justice (DOJ)—is required by federal law, and by doing so you play an integral role in DOJ's efforts to prevent fraud, reduce theft, and potentially save the lives of consumers who might otherwise unknowingly purchase unsafe vehicles. As of today, over 80 million salvage or total loss records have been reported. Although the number of reports is encouraging, DOJ continues to be informed that some entities are not reporting because, as it has been explained, they claim to be uncertain of the NMVTIS requirements or they do not believe the requirements will be enforced. For these reasons, DOJ is pursuing additional outreach to ensure that all reporting entities are notified of the reporting requirements, methods for reporting, DOJ enforcement efforts, and penalties for non-reporting, including substantial civil penalties.

NMVTIS Reporting Entity¹

An NMVTIS Reporting Entity includes any individual or entity that meets the federal definition, found in the NMVTIS regulations at 28 C.F.R. § 25.52, for a “junk yard” or “salvage yard.” The regulations are available at <http://edocket.access.gpo.gov/2009/pdf/E9-1835.pdf>. According to those regulations, a junk yard is defined as “an individual or entity engaged in the business of acquiring or owning junk automobiles for— 1) Resale in their entirety or as spare parts; or 2) Rebuilding, restoration, or crushing.” The regulations define a salvage yard as “an individual or entity engaged in the business of acquiring or owning salvage automobiles for— 1) Resale in their entirety or as spare parts; or 2) Rebuilding, restoration, or crushing.” These definitions include vehicle remarketers and vehicle recyclers, including scrap vehicle shredders and scrap metal processors as well as “pull- or pick-apart yards,” salvage pools, salvage auctions, **used automobile dealers**, and other types of auctions handling salvage or junk vehicles (including vehicles declared by any insurance company to be a “total loss” regardless of any damage assessment). Businesses that operate on behalf of these entities or individual domestic or international salvage vehicle buyers, sometimes known as “brokers” may also meet these regulatory definitions of salvage and junk yards. **It is important to note that industries not specifically listed in the junk yard or salvage yard definition may still meet one of the definitions and, therefore, be subject to the NMVTIS reporting requirements.** An individual or entity meeting the junk yard or salvage yard definition is subject to the NMVTIS reporting requirements if that individual or entity handles 5 or more junk or salvage motor vehicles per year and is engaged in the business of acquiring or owning a junk automobile or a salvage automobile for—“1) Resale in their entirety or as spare parts; or 2) Rebuilding, restoration, or crushing.” Reporting entities can determine whether a vehicle is junk or salvage by referring to the definitions provided in the NMVTIS regulations at 28 C.F.R. § 25.52. An NMVTIS Reporting Entity is required to report specific information to NMVTIS within one month of receiving such a vehicle, and failure to report may result in assessment of a civil penalty of \$1,000 per violation.

¹ An “NMVTIS Reporting Entity” includes any entity that meets the NMVTIS definition for junk yard or salvage yard. An “NMVTIS Reporting Entity” is required to report specific information to NMVTIS and failure to report may result in assessment of a civil penalty.

NMVTIS Reporting Requirements

By no later than March 31, 2009, all auto recyclers, junk yards, and salvage yards were required to fully comply with NMVTIS as established by the Anti Car Theft Act of 1992 (Public Law 102-519), the Anti-Car Theft Improvements Act of 1996 (Public Law 104-152), and its implementing regulations (28 C.F.R. part 25). These regulations were published in the *Federal Register* in January 2009 and are available via www.vehiclehistory.gov. While these regulations are the most authoritative source of NMVTIS reporting requirement information, other explanatory information is also available on this web site, including frequently asked questions and a contact e-mail address for further questions (nmvtis@usdoj.gov). DOJ has communicated regularly about NMVTIS and its reporting requirements through many of the insurance, auto dealer, recycler, and salvage industry associations.

In summary, the regulations require all junk yards and salvage yards (as defined above) handling five or more junk or salvage motor vehicles per year to provide NMVTIS with the following information on each junk or salvage automobile obtained in whole or in part in the prior month:

1. The name, address, and contact information for the reporting entity.
2. Vehicle Identification Number (VIN).
3. The date the automobile was obtained by the reporting entity.
4. The name of the individual or entity from whom the automobile was obtained.
5. A statement of whether the automobile was crushed or disposed of, for sale or other purposes, to whom it was provided or transferred, and if the vehicle is intended for export out of the United States.

It is important to note that state motor vehicle titling agencies have separate reporting requirements under the NMVTIS regulations than do other reporting entities. Although junk yards and salvage yards are not required to report to NMVTIS if they already report ALL the required NMVTIS information (listed above) to their state **AND** their state provides the required information to NMVTIS on their behalf as required, **only the state of Georgia is currently reporting to NMVTIS all of the data required. Thus, junk yards and salvage yards must report junk and salvage automobile data to NMVTIS until and unless the state they are located in begins reporting to NMVTIS the required information.** Reporting is required of junk yards and salvage yards in every state and the District of Columbia without regard for their state's reporting compliance status.

Methods for Reporting the Required Information to NMVTIS

DOJ and the NMVTIS operator, the American Association of Motor Vehicle Administrators (AAMVA), partnered with the private sector to provide multiple reporting methods to meet the business needs of reporting entities. Currently, there are four reporting methods or services available, offering individual VIN and batch reporting options. Three service providers offer a **no-cost** per-transaction program. More detailed information on these reporting options can be found at: www.vehiclehistory.gov/nmvtis_auto.html.

NMVTIS Enforcement

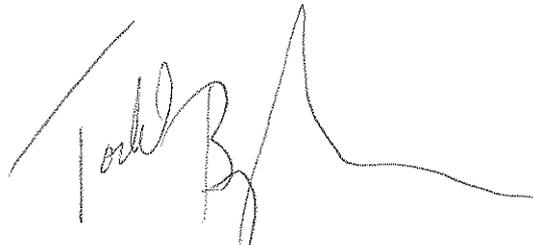
The NMVTIS statute includes an enforcement provision requiring DOJ to impose and collect penalties for those junk yards, salvage yards, and insurance entities that fail to meet their reporting obligations pursuant to the Anti Car Theft Act as amended. NMVTIS enforcement efforts will focus on reporting since April 2009 as well as current and future reporting. To date, DOJ has initiated over 200 nonreporting cases in 36 states and issued 17 Notice of Civil Penalty Letters.

Failure to report to NMVTIS as required may result in assessment of a civil penalty of \$1,000 **per violation**. Accordingly, for example, a failure to report 100 junk or salvage automobiles could result in a civil penalty of up to \$100,000. NMVTIS Reporting Entities are responsible for ensuring all required information has been reported to NMVTIS accurately and within the timelines required. The accuracy of the data reported to NMVTIS is essential to the intent and purpose of the System. Law enforcement agencies, state titling agencies, and consumers rely on the accuracy of NMVTIS data. An incorrect report may significantly diminish the resale value of an automobile, subjecting the reporting entity to legal liability and NMVTIS enforcement measures. DOJ is not obligated to perform a site visit or provide additional time to provide data or correct reporting deficiencies before imposing any penalty. If you wish to notify DOJ of an entity that is not currently reporting to NMVTIS, please e-mail nmvtis@usdoj.gov and include "Non-reporting Referral" in the subject line of the message.

Additional information regarding the NMVTIS reporting requirements, policy clarifications, frequently asked questions, and a public database to check reporting status of a junk yard, salvage yard, or insurance entity can be found on the NMVTIS web site: www.vehiclehistory.gov. If you have questions or require clarification of the reporting requirements, you may e-mail us at nmvtis@usdoj.gov and include "Reporting Requirement Question" in the subject line of the message.

Thank you for meeting the reporting requirements required by law and for helping to prevent crime in your community.

Sincerely,



Todd J. Brighton
NMVTIS Enforcement Coordinator



Enclosure



U.S. Department of Justice

Office of Justice Programs

Bureau of Justice Assistance

Washington, D.C. 20531

June 8, 2015

RE: Federal Enforcement of National Motor Vehicle Title Information System (NMVTIS) Reporting Requirements Regarding Businesses Engaged in Salvage and Total Loss Automobile Commerce

Dear Business Owner:

Your business registered for and received a NMVTIS Reporting Identification Number. Based upon a review of NMVTIS records, it does not appear that any vehicles have been reported to date using your reporting identification number. **Failure to report to NMVTIS as required is punishable by a civil penalty of \$1,000 per violation.** Accordingly, for example, a failure to report 100 junk or salvage automobiles could result in a civil penalty of up to \$100,000. NMVTIS Reporting Entities are responsible for ensuring all required information has been reported to NMVTIS accurately and within the timelines required.

The Department of Justice (DOJ), Office of Justice Programs (OJP), Bureau of Justice Assistance (BJA) is responsible for the oversight of the implementation and operation of NMVTIS. The NMVTIS statute includes an enforcement provision authorizing DOJ to impose and collect civil penalties for those junk yards, salvage yards, auto recyclers, and insurance entities that fail to meet their reporting obligations pursuant to the Anti-Car Theft Act, as amended. The following two sections review the requirements and methods for reporting information to NMVTIS. The final section highlights the compliance findings that require further follow-up by your company.

NMVTIS Reporting Requirements

By no later than March 31, 2009, all junk yards, salvage yards, and auto recyclers were required to fully comply with NMVTIS as established by the Anti Car Theft Act of 1992 (Public Law 102-519), the Anti-Car Theft Improvements Act of 1996 (Public Law 104-152), and its implementing regulations (28 CFR part 25, published January 30, 2009, 74 FR 5740). All junk yards, salvage yards, and auto recyclers handling five or more junk or salvage automobiles per year are required to provide NMVTIS with the following information for each junk or salvage automobile obtained in whole or in part in the prior month:

1. The name, address, and contact information for the reporting entity (junk yard, salvage yard, recycler);
2. Vehicle Identification Number (VIN);
3. The date the automobile was obtained;
4. The name of the individual or entity from whom the automobile was obtained;
5. A statement of whether the automobile was crushed or disposed of, for sale or other purposes, to whom it was provided or transferred, and if the vehicle is intended for export out of the United States.

Methods for Reporting the Required Information to NMVTIS

BJA and the NMVTIS operator, the American Association of Motor Vehicle Administrators (AAMVA), partnered with the private sector to provide multiple reporting methods to meet the business needs of reporting entities. Currently, there are four reporting methods or services available, offering individual VIN

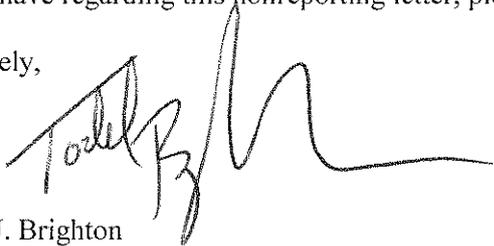
and batch reporting options. Three service providers offer a no-cost per transaction program as well as enhanced reporting services. In addition, at BJA's request, AAMVA has made available a basic, no-cost per transaction, direct reporting service via the internet. More detailed information on these reporting options can be found at: www.vehiclehistory.gov/nmvtis_auto.html.

Compliance Finding – Vehicles Not Reported to NMVTIS

Your business may not have reported to NMVTIS all of the junk or salvage automobiles obtained in whole or in part by the company since March 2009. As noted above, failure to report to NMVTIS as required is punishable by a civil penalty of \$1,000 per violation. NMVTIS Reporting Entities are responsible for ensuring all required information has been reported to NMVTIS accurately and within the timelines required. BJA is not obligated to perform a site visit or provide additional time to provide data or correct reporting deficiencies before imposing any penalty. **Over the next 30 days, all unreported junk automobiles or salvage automobiles that your business received in its inventory since March 31, 2009, must be entered into NMVTIS. The Anti-Car Theft Act compels us to consider civil penalties as previously noted on vehicles not reported to date.** BJA will review NMVTIS after the 30-day deadline to confirm that all unreported junk automobile and salvage automobile information has been entered. If the required reporting is not completed within the 30-day period, BJA will consider this **continued non-compliance** in determining a penalty. A copy of the NMVTIS Final Penalty Decision Considerations is enclosed and available at www.vehiclehistory.gov. BJA reviews these considerations to determine a penalty.

We appreciate your immediate attention to this matter. For additional assistance or for any questions you might have regarding this nonreporting letter, please do not hesitate to call me at 202-616-3879.

Sincerely,



Todd J. Brighton
NMVTIS Enforcement Coordinator



Enclosures

NMVTIS Final Penalty Decision Considerations¹

Size of the Business: Accounts for up to 25% of maximum penalty²

Generally determined by ascertaining the business gross profit.

Level 1 (under \$1,000,000 gross profits): 0 - 5% of maximum penalty

Level 2 (\$1,000,000 to \$5,000,000 gross profits): 0 - 10% of maximum penalty

Level 3 (over \$5,000,000 to \$10,000,000 gross profits): 0 - 20% of maximum penalty

Level 4 (over \$10,000,000 gross profits): 0 - 25% of maximum penalty

Gravity of Violation: Accounts for up to 50% of maximum penalty

Generally determined by the total number of unreported automobiles.

Level 1 (under 100 unreported automobiles): 0 - 5% of maximum penalty

Level 2 (100 to 500 unreported automobiles): 0 - 10% of maximum penalty

Level 3 (over 500 to 2500 unreported automobiles): 0 - 25% of maximum penalty

Level 4 (over 2500 unreported automobiles): 0 - 50% of maximum penalty

Demonstrated Willingness to Comply: Accounts for up to 25% of maximum penalty

Generally determined by the number of automobiles identified in the Notice of Civil Penalty which have subsequently been reported to NMVTIS, as well as the ongoing reporting compliance of the business.

The following factors may, at the discretion of the Director of the Bureau of Justice Assistance, aggravate or mitigate any penalty:

- The length of time that automobiles have gone unreported
- Whether non-reporting was due to negligent or intentional action/inaction
- Whether the business was forthcoming in responding to DOJ requests for information
- Whether automobiles were used in the commission of a crime or resulted in a purchaser's being defrauded or injured
- Whether the business has been the subject of other proposed or final NMVTIS enforcement action by DOJ
- Other appropriate factors worthy of consideration to further the interests of justice

¹For use in deciding the penalty subsequent to issuance of a Notice of Civil Penalty letter.

²The "maximum penalty" is \$1,000 per automobile that is not reported to NMVTIS. 49 U.S.C. § 30505(a).

Reporting Methods

Auto recyclers, junk yards, and salvage yards must submit the required monthly reports to NMVTIS through third party organizations that have agreed to provide this service. Reporting can be as frequently as desired, but not less frequently than monthly. The Department of Justice encourages all reporters to submit information to NMVTIS as soon as possible to prevent fraud and theft and to protect consumers.

Approved Third Party Data Consolidators for Auto Recyclers, Junk Yards, and Salvage Yards

Please contact data consolidators for more information on reporting methods and technical specifications.

AAMVA Single VIN Reporting Service

Web site: www.aamva.org/NMVTIS-Reporting-Service

AUDATEX

Phone: 1-800-237-3463

AUTO DATA DIRECT, INC.

Free and Full Service NMVTIS Reporting

Web site: www.add123.com

Telephone: 1-866-923-3123

Insurance: insurance@add123.com

Salvage: salvage@add123.com

INSURANCE SERVICES OFFICE (ISO)

ISO ClaimSearch Customer Support

Phone: 1-800-888-4476

E-mail: claimsearchnmvtis@iso.com

Web: www.iso.com/nmvtis



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June 30, 2015

To: NIADA
From: Federal Advocates
Subject: June Monthly Report

Military Pay Allotment

On June 18, the Senate passed its version of the FY16 National Defense Authorization Bill. The issue did not make it in the bill. NIADA continues working with Senator Lindsey Graham (R-SC), Chair of the Subcommittee on Personnel of the Senate Armed Services Committee and a supporter of NIADA's position on the issue. Senator McCain (R-AZ), Full Committee Chair, did not want the allotment issue raised and Senator Graham felt that there was no point in having a loss from trying to do so. Senator Tillis did speak with McCain but was rebuffed.

Senator Lindsey is the only Member who can work around this issue from within the Committee and the focus now is on having the Senate recede to the House in conference on the bill. Senator Tillis is committed to pursuing this as is Senator Graham.

To review, on May 15 by a vote of 269-151, the House passed H.R. 1735, the FY16 National Defense Authorization Bill (NDA), with the language below.

ITEMS OF SPECIAL INTEREST (pp. 151-152 of Committee Report 114-112)

Military Allotment Prohibition Briefing to Congress The committee understands that an amendment to the Department of Defense Financial Management Regulation, effective January 1, 2015, now prohibits Active Duty service members from establishing new allotments for certain purposes, such as the purchase, lease, or rental of personal property. The committee is concerned with the method by which the decision to prohibit certain allotments by military members was reached. Therefore, the committee directs the Secretary of Defense to provide a briefing to the House Committee on Armed Services by January 1, 2016, on the process and justification associated with the amendment to the Department of Defense Financial Management Regulation. The briefing shall include, but not be limited to, the timing and format of the public notice and comment period prior to issuance of the amendment; a summary of public comments submitted for the record; a summary of hearings and workshops held; a list of

stakeholders consulted and the timing, manner, and results of such consultation; a summary of all comments and views expressed by stakeholders and how those comments and views were addressed; the justification for the amendment with supporting documentation; an analysis, with case studies, of the nexus between predatory lending and the allotment system; and all studies, data, methodologies, analyses, and other information relied on by the Department.

To review further, NIADA had submitted via a letter to Congressman Jones two approaches for addressing the military pay allotment issue – one rescinding the directive and providing for a more transparent and inclusive process and one requiring the DOD to report on the methodology it used in arriving at its conclusion. The language above is a slight modification of the latter – a briefing instead of a report, with the content of the briefing the exact language NIADA submitted. In addition, the timing of the briefing is consistent with NIADA’s meeting with Jones’ staff and staff of the Committee in that if the Congress is not satisfied with what it hears at the briefing, there is time for legislative action next year via the FY17 NDA Bill.

On the Senate side, Senator Tillis (following a meeting with NIADA) met with Senator Graham to discuss his concerns and the affect the military allotment issue has on car dealers and lending. He was told that Graham had heard the same message from SC car dealers (via another NIADA letter) and that he would take a look into the issue through the Subcommittee.

In November 2013, the Secretary of Defense directed the Comptroller of the Department to form an interagency team that was charged with assessing whether changes were needed in the military allotment system. The interagency team was comprised of representatives from the Consumer Financial Protection Bureau, Federal Deposit Insurance Corporation, Federal Reserve Board, National Credit Union Administration, Office of the Comptroller of the Currency, and the Department of Defense. Not a single individual representing business interests was invited to participate. Nearly one year later, the Secretary of Defense announced the prohibition on the use of pay allotments for the purchase of certain personal items including motor vehicles to take effect January 1, 2015. However, when making that announcement, the Secretary did not provide any rationale for the change except a vague reference to eliminating “unscrupulous commercial lenders” from abusing the system. In making this statement, the Secretary did not release any findings, data, or evidence in support. Moreover, there were no public hearings, comments, or participation in the process. As a result of the decision, process and impact on dealers, NIADA reached out to Congressman Jones and Senators Tillis and Graham.

Reforming CFPB Indirect Auto Financing Guidance Act

NIADA joined with other stakeholders in signing a June 10 letter of support for H.R. 1737. On April 13, Congressman Frank Guinta (R-NH-1) introduced H.R. 1737, Reforming CFPB Indirect Auto financing Guidance Act, with 16 (now 108) bipartisan cosponsors. The bill was referred to the Committee on Financial Services. Guinta is on the Committee. The text of the bill is the same as the Stutzman/Perlmutter bill of the last Congress. It rescinds the auto financing guidance action taken by the CFPB in March 2013 and provides for a more transparent and accountable process for dealing with the issue. Specifically the bill declares without force or effect Consumer Financial Protection Bureau (CFPB) Bulletin 2013-02 (Indirect Auto Lending and Compliance with the Equal Credit Opportunity Act), published March 21, 2013. Amends the Consumer

Financial Protection Act of 2010 to direct the CFPB, when proposing and issuing guidance primarily related to indirect auto financing, to: provides for a public notice and comment period before issuing the guidance in final form; makes publicly available all information relied on by the CFPB; redacts any information exempt from disclosure under the Freedom of Information Act; consults with the Board of Governors of the Federal Reserve System, the Federal Trade Commission, and the Department of Justice; and studies the costs and impacts of the guidance to consumers and women-owned, minority-owned, and small businesses. The goal now is to get as many bipartisan cosponsors to keep the pressure on the CFPB to initiate its own self-reform and/or the House Leadership to move the bill. In the Senate, Senator Moran (R-KS) has been approached to introduce a companion bill. Moran also sits on the committee of jurisdiction.

Status Update: twenty-eight additional cosponsors added since the last report.

Marketplace and Internet Tax Fairness Act

The Judiciary Committee has received comments back from a wide range of stakeholders and is still reviewing them and deciding its legislative strategy going forward. To review, Congressman Bob Goodlatte (R-VA-6), Chairman of the House Judiciary Committee, and Congresswoman Anna Eshoo (D-CA-18) have developed a discussion draft bill on the remote sales tax issue. Per efforts of the Association, the bill specifies that states may not impose use tax on a purchaser who paid sales tax at the origin rate at the time of purchase. It specifically exempts aircraft, vehicles, vessels and business purchases. These are all cases in which states currently collect today, either when the vehicle is registered or because businesses pay their use tax. As a general rule, where states are successfully collecting today, the bill preserves the status. A summary of the text refers to the exemption as preventing “double taxation.”

Status Update: no change since the last report.

Rental Cars/Used Cars Recall

To date, three bills have been introduced on the issue.

S.617, Repairing Every Car to Avoid Lost Lives Act (RECALL ACT), was introduced on March 2 by Senator Edward Markey (D-MA) with one cosponsor. The bill was referred to the Committee on Commerce, Science, and Transportation. This bill declares that a state is in compliance with safety recall requirements if the state agency responsible for motor vehicle registration ensures, by a motor vehicle identification number search of the National Highway Traffic Safety Administration's recall database, that each registered owner of a motor vehicle registered in the state is notified of all recalls issued by the vehicle's manufacturer by certain deadlines, depending on when the vehicle is registered. A state must also require that owners complete all recall remedies as a prerequisite for motor vehicle registration renewal, with the following exceptions: the owner had not been notified of the recall before being notified of the need to renew; the manufacturer, through a local dealership, has not given the owner reasonable opportunity to complete a recall remedy because of a shortage of parts or qualified labor; or the owner demonstrates to the state that he or she has not had reasonable opportunity to complete the recall remedies, in which case the state may grant a temporary registration for 60 days during

which time the owner must complete the recall remedies. The Secretary of Transportation shall withhold 5% of federal highway funds from a state that is not in compliance with these requirements.

Status Update: no change since the last report.

H.R.1181, Vehicle Safety Improvement Act of 2015, was introduced on February 27 by Congresswoman Janice Schakowsky (D-IL-9) with 9 (now 11) cosponsors. The bill was referred to the House Committee on Energy and Commerce. The official subject summary of the bill is not yet available.

Status Update: one additional cosponsor added since the last report.

S.900, Used Car Safety Recall Repair Act, was introduced on April 13 by Senator Richard Blumenthal (D-CT) with one cosponsor. The bill was referred to the Committee on Commerce, Science, and Transportation. The bill prohibits a dealer from selling or leasing a used passenger motor vehicle until a defect of the motor vehicle or motor vehicle equipment or noncompliance with a federal motor vehicle safety standard has been remedied.

Status Update: no change since the last report.

Motor Vehicle Whistleblower

S.304, Motor Vehicle Safety Whistleblower Act, was introduced on January 29 by Senator John Thune (R-SD) with 7 cosponsors. The bill was referred to the Committee on Commerce, Science, and Transportation and reported by the Committee on February 26. S. 304 prescribes certain whistleblower incentives and protections for motor vehicle manufacturer, part supplier, or dealership employees or contractors who voluntarily provide the Secretary of Transportation information relating to any motor vehicle defect, noncompliance, or any violation of any notification or reporting requirement which is likely to cause unreasonable risk of death or serious physical injury. Authorizes the Secretary to pay awards to one or more whistleblowers in an aggregate amount of up to 30% of total monetary sanctions collected pursuant to an administrative or judicial action resulting in aggregate monetary sanctions exceeding \$1 million. Prohibits an award to any whistleblower that knowingly and willfully makes false representations. Subjects such a whistleblower to criminal penalties. The bill passed the Senate on April 28.

Status Update: no change since the last report.

Annual Privacy Notice Requirement

Two bills have been introduced on the issue following similar action last Congress. The bills are identical except for #3 below in the Senate bill. NIADA is on record as supporting the House version as #3 imposes a potentially costly and timely requirement on dealers.

H.R.601, Eliminate Privacy Notice Confusion Act., was introduced on January 28 by Congressman Blaine Luetkemeyer (R-MO-3) with 40 (now 57) cosponsors. The bill was referred to the Committee on Financial Services. H.R. 601 amends the Gramm-Leach-Bliley Act to exempt from its annual privacy policy notice requirement any financial institution which: (1) provides nonpublic personal information only in accordance with specified requirements, and (2) has not changed its policies and practices with regard to disclosing nonpublic personal information from those disclosed in the most recent disclosure sent to consumers. On March 26 the bill was ordered reported from Committee. On April 13, the bill passed the House under suspension of the rules.

Status Update: no change since the last report.

S.423, Privacy Notice Modernization Act of 2015, was introduced on February 10 by Senator Jerry Moran (R-KS) with 21 (now 49) cosponsors. The bill was referred to the Committee on Banking, Housing, and Urban Affairs. A hearing was held on the bill on Feb. 12. The bill amends the Gramm-Leach-Bliley Act to exempt from its annual written privacy policy notice requirement any financial institution which: (1) provides nonpublic personal information only in accordance with specified requirements, (2) has not changed its policies and practices with respect to disclosing nonpublic personal information from those disclosed in the most recent disclosure sent to consumers, and (3) otherwise provides customers access to such most recent disclosure in electronic or other form permitted by specified regulations.

Status Update: one additional cosponsor added since the last report.

Auction Sales

This issue has not resurfaced for some time now. We will continue to monitor for any possible developments.

MAP-21 Reauthorization

On June 24, the Senate Environment & Public Works Committee marked up its version of the MAP-21 reauthorization bill - the "Developing a Reliable and Innovative Vision for the Economy Act" (DRIVE Act). The Committee does not have jurisdiction over transit or highway safety programs. The bill provides increased funding levels for existing and new highway programs, but does not include any new revenue, leaving that up to the Senate Finance Committee.

The bill increases total annual contract authority for FHWA programs from \$37.8B under MAP-21 to \$45.5B by year 2021. Over six-years, \$257.5B is apportioned to the states. The programs are divided up as follows:

National Highway Performance Program 56.1%

Surface Transportation Program 25.0%

Congestion Mitigation/Air Quality Program 5.7%

National Freight Program 5.2%

Highway Safety Improvement Program 4.7%

Transportation Alternatives 2.0%

Metropolitan Planning .8%

Railroad Highway Grade Crossing Program .5%

The total annual budgetary cap on highway spending rises from MAP-21 levels (\$40.3B in 2014) as follows:

2015 - \$43.1B

2016 - \$44.0B

2017 - \$45.0B

2018 - \$46.0B

2019 - \$47.2B

2020 - \$48.3B

The bill also addresses a number of important issues including additional improvements to the MAP-21 streamlining provisions, planning reforms, and funding for research. A major new initiative in the bill is the creation of a new core National Freight Program. Dedicated bridge funding is increased and states are incentivized to take a risk-based asset management approach to bridge projects. The TIFIA program is extended at \$675M for each of the fiscal years 2016 through 2021. The tolling portion of the bill does not appear to increase the number (3) of Interstates that can be converted to toll roads, but does add a "use-it-or-lose-it" provision that could shift authorization for tolling from one state to another state when the conversion stalls or fails.

Here is a summary of the bill's freight program and the new "Assistance for Major Projects Program" (AMPP) which is a mega-projects program very similar to the Projects of National and Regional Significance (PNRS).

National Freight Program

Mandates creation of State Freight Plans and State Freight Advisory Committees

Provides between \$2B and \$2.5B annually for investment in Title 23 freight projects, distributed to states via formula program. Up to 10% of a state's freight formula dollars may be used for multimodal/intermodal freight projects

Increases mileage on the Primary Freight Network - now named "Primary Highway Freight Network" - to 30,000 centerline miles (MAP-21 capped at 27,000 centerline miles) plus all NHS freight intermodal connectors

Calls for US DOT to complete a study of multimodal freight projects that do not qualify for

funding under Title 23

Assistance for Major Projects Program - "AMPP"

This program is a mega projects competitive grant program authorized at a total of \$2.4B over six years. Applicant eligibility has been expanded and the program adopts a joint decision making process for project selection. Other details:

Minimum project threshold of \$350M

Minimum project award of \$50M, except in the instance of rural projects

Rural projects must receive 20% of available funding

Transit projects are capped at 20% of available funds

Any single state is capped at 20% of available funds

Money awarded through this program can be used to pay a project's TIFIA subsidy

The latest short-term extension of federal highway and transit programs expires on July 31.

Although a number of key congressional leaders, as well as the President, have said they will not support any additional short-term extensions, it is almost inevitable that Congress will have to pass at least one more extension - probably through the end of the calendar year. It does not appear likely that a consensus will be reached by the end of July on a long-term funding solution for the Highway Trust Fund (HTF). Unlike the current two-month extension, which did not require any additional funding, an extension through December will require at least \$10B in additional funding - likely in the form of yet another General Fund transfer - in order to keep the HTF solvent. US DOT has recently reinstated its Highway Trust Fund Ticker which predicts the Highway Account will fall below \$4B by the end of July and below \$2B by the end of August, with less than \$1B in the Mass Transit Account by early September. While there is some indication that the Senate Banking Committee (transit jurisdiction) and Senate Commerce Committee (highway safety, freight and R&D jurisdiction) will mark-up their titles of the MAP-21 shortly after the July recess, that timing has not been verified by the leadership of those committees. The critical issue of identifying new revenue to provide long-term, sustainable funding for the HTF is the responsibility of the House Ways & Means and Senate Finance tax writing committees. Both committees held hearings last week on this subject. Unfortunately, neither committee came to a consensus on how to proceed. House Chairman Paul Ryan (R-WI) indicated he understood the seriousness of the situation, but he strongly objected to any form of a federal gas tax increase. A number of Committee members mentioned support for greater use of P3s, tolls, TIFIA, environmental streamlining, lifting the cap on Private Activity Bonds (PABs), etc., but they did not seem to recognize that while such provisions might be a supplement to increased, dedicated HTF revenues, they would not generate revenue to serve as a substitute for direct funding. Senate Chairman Orin Hatch (R-UT) made it clear that his goal is to find a way to fund a long term bill, but no consensus on how to do so was reached at the hearing. As a follow-up, the House Ways & Means Subcommittee on Select Revenue Measures held a hearing on using tax revenue from repatriated, tax deferred overseas corporate profits to bail out the HTF. However, many Ways & Means Committee members oppose using repatriation for this purpose because they want to reserve the potential revenue to fund a reduction in the corporate tax rate or for other tax cuts as part of a comprehensive tax reform bill. The Senate Finance Committee held a follow-up hearing on "Unlocking the Private Sector: State Innovations in Financing Transportation Infrastructure." There is growing talk of trying to tie the controversial

Export-Import Bank reauthorization bill to a "must-pass" MAP-21 extension in late July in an effort to garner more Republican votes for a extension that will likely require significant General Fund transfers. Lastly, in terms of a House reauthorization bill, all indications are that the House is far behind the Senate in terms of drafting; that the preference is to wait until there is more certainty as to both the funding and timing of reauthorization; and, there is reluctance to have Members vote on a bill without knowing the scope of funding and timing. Pending all that, hearings continue.

On June 1, the Senate Committee on Environment and Public Works Subcommittee on Transportation and Infrastructure is holding a field hearing entitled, "Need to Invest Federal Funding to Relieve Traffic Congestion and Improve Our Roads and Bridges at the State and Local Level." Witnesses were Roy Quezaire, Deputy Director of the Port of South Louisiana; Sherri LeBas, Secretary of the Louisiana Department of Transportation and Development; and, Ken Perret, President of the Louisiana Good Roads and Transportation Association. On June 9, Chairman Shuster of the House Committee on Transportation and Infrastructure, Members of Congress from Georgia, GDOT, and business leaders from Coca-Cola, UPS, and the Georgia Ports Authority participated in a roundtable meeting in Atlanta to discuss the region's infrastructure, its importance to the economy, and the need for legislation that improves the nation's highways, bridges, and other transportation systems. The roundtable examined such issues as the national freight network and Atlanta's role in that network; the federal role in ensuring a cohesive, efficient, national transportation network; and how the federal government can improve and streamline infrastructure programs to help ensure the transportation network meets the needs of our economy. The Transportation Committee continues to develop legislation to fund highway, bridge, and transit improvements; a bill to modernize the U.S. aviation system; and other infrastructure initiatives for congressional action later this year. Roundtable participants: Rep. Bill Shuster; Rep. Rob Woodall (GA-07), Member of the Transportation and Infrastructure Committee; Rep. Tom Graves (GA-14); Rep. Rick Allen (GA-12); Georgia Department of Transportation Chief Engineer Meg Pirkle; Georgia Ports Authority Senior Director Jamie McCurry; Coca-Cola Vice President of Supply Chain and Transportation Michael Broaders; and, UPS Vice President of Network Operations Matthew J. Connelly.

President's Transportation Bill (MAP-21 Reauthorization)

The U.S. Department of Transportation's version of a multiyear highway bill includes significant proposals designed to get unrepaired vehicles off the roads faster, including seeking to require all new car dealers to check for uncompleted recalls when owners take their vehicles in for service. Under the new bill, NHTSA would get new authority to take immediate action to respond to any condition of a motor vehicle or motor vehicle equipment that creates the likelihood of death or serious injury to the public if not discontinued immediately, without prior notice or hearing. The new bill retains reforms proposed last year but would require new car dealers to check when a owner takes a car in for service to determine if there are any uncompleted recalls. The proposal would also establish a two-year pilot grant program to determine if state motor vehicle departments could notify owners of uncompleted recalls at the time they were registering or renewing a vehicle registration. Some in Congress have called for making getting recalled vehicles fixed mandatory before owners could renew their license plate. It would also hike the

maximum daily fine for failing to comply with NHTSA rules from \$7,000 to \$25,000. NHTSA would get authority to issue new standards on ensuring electronics and software function properly and the power to file criminal charges against vehicle hackers, giving the agency the ability to charge people who use electronic devices to affect the performance of a motor vehicle or motor vehicle equipment of which they are not the individual owner. The proposal would also require all distributors and dealers to register tires at the time of purchase and notify the manufacturer because of low completion rates for tire recalls. Under current law, only tire dealers owned or controlled by a manufacturer are required to register tires with the manufacturer. The bill would also require tire manufacturers to give owners a free replacement tire for a recall for six months rather than the current 60 days.

Reserve's yearly remittances to the Treasury Department. These remittances are earnings generated by the Federal Reserve and were originally intended to be deposited in the Treasury to help fund general government."

FY16 Transportation Appropriations Bill

Include money for additional inspectors for NHTSA's Office of Defects Investigation and directs the agency to begin investigating all death claims related to vehicle safety defects.

Bill Tracking

Note: some of the following bills lack a subject summary. That is because the internal Hill bill information system has still not "caught up" with the number of bills introduced. It will. Also, some of the following bills may drop off the tracking list depending upon what is learned about their subject matter.

H.R.171, To repeal the Dodd-Frank Wall Street Reform and Consumer Protection Act

Introduced on January 26 by Congressman Adam Smith (R-NE-3) with no cosponsors. The bill was referred to the Subcommittee on Commodity Exchanges, Energy, and Credit of the Financial Services Committee et al. H.R.171 repeals the Dodd-Frank Wall Street Reform and Consumer Protection Act. It revives or restores the provisions of law amended by such Act as if it had not been enacted.

Status Update: no change since the last report.

S.89, Financial Takeover Repeal Act of 2015

Introduced on January 7 by Senator David Vitter (R-LA) with no cosponsors. The bill was referred to the Committee on Finance. S.89 repeals the Dodd-Frank Wall Street Reform and Consumer Protection Act. It revives or restores the provisions of law amended by such Act as if it had not been enacted.

Status Update: no change since the last report.

S.107, Terminating the Expansion of Too-Big-To-Fail Act of 2015

Introduced on January 7 by Senator David Vitter (R-LA) with no cosponsors. The bill was referred to the Committee on Banking, Housing, and Urban Affairs. S.107 amends the Financial Stability Act of 2010, title I of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank), the Federal Deposit Insurance Act, and the Federal Reserve Act to eliminate all supervision by the Board of Governors of the Federal Reserve System (Board) of domestic and foreign nonbank financial companies, including new or heightened standards and safeguards and minimum leverage capital requirements. Eliminates the duty of the Financial Stability Oversight Council to identify systemically important financial market utilities and payment, clearing, and settlement activities. Repeals the authority of the Council, acting through the Office of Financial Research, to: (1) require the submission of periodic and other reports from any domestic or foreign nonbank financial company, or (2) request the Board to examine a U.S. nonbank financial company for the sole purpose of determining whether it should be Board-supervised. Repeals specified additional Board authority to supervise certain nonbank financial companies, including the prohibition against management interlocks between such companies and certain other financial companies. Repeals the requirement that the Board study and report to Congress on: (1) specified issues with respect to the resolution of financial companies under chapter 7 (Liquidation) or 11 (Reorganization) of the Bankruptcy Code, and (2) international coordination relating to the resolution of systemic financial companies under the U.S. Bankruptcy Code and applicable foreign law. Repeals the authority of the Council to recommend to the Board: (1) prudential standards and reporting and disclosure requirements for Board-supervised nonbank financial companies, and (2) any requirement that each nonbank financial company report periodically the company's credit exposure as well as its plan for rapid and orderly resolution in the event of material financial distress or failure. Repeals the requirement that the Council study the feasibility, benefits, costs, and structure of a contingent capital requirement for Board-supervised nonbank financial companies. Eliminates reporting requirements for such companies. Repeals the Payment, Clearing, and Settlement Supervision Act of 2010 (title VIII of Dodd-Frank).

Status Update: no change since the last report.

S.1484, Financial Regulatory Improvement Act of 2015

Introduced on June 2 by Senator Richard Shelby (R_AL) with no cosponsors. The bill was reported by Committee on June 2.

Status Update: no change since the last report.

H.R.957, Bureau of Consumer Financial Protection-Inspector General Reform Act of 2015 or the CFPB-IG Act of 2015

Introduced on February 12 by Congressman Steve Stivers (R-OH-15) with 3 (now 6) cosponsors. The bill was referred to the Committees on Oversight and Government Reform and Financial Service. Amends the Inspector General Act of 1978 to repeal the authority of the Chairman of the Board of Governors of the Federal Reserve System to appoint the Inspector General of the

Consumer Financial Protection Bureau (CFPB). Amends the Dodd-Frank Wall Street Reform and Consumer Protection Act to create an Inspector General for the CFPB. Requires the President, within 60 days after enactment of this Act, to appoint a CFPB Inspector General.

Status Update: no change since the last report.

S.510, Bureau of Consumer Financial Protection-Inspector General Reform Act of 2015 or CFPB-IG Act of 2015

Introduced on February 12 by Senator Rob Portman (R-OH) with 12 (now 13) cosponsors. The bill was referred to the Committee on Banking, Housing, and Urban Affairs. Amends the Inspector General Act of 1978 to repeal the authority of the Chairman of the Board of Governors of the Federal Reserve System to appoint the Inspector General of the Consumer Financial Protection Bureau (CFPB). Requires the CFPB Inspector General to be appointed by the President, by and with the advice and consent of the Senate.

Status Update: no change since the last report.

H.R.1261, Bureau of Consumer Financial Protection Accountability Act of 2015

Introduced on March 4 by Congressman Sean Duffy (R-WI-7) with no (now 1) cosponsors. The bill was referred to the House Committee on Financial Services. This bill amends the Consumer Financial Protection Act of 2010 to eliminate provisions that fund the Consumer Financial Protection Bureau (CFPB) using transfers from the earnings of the Federal Reserve System. The transfers under current law permit the CFPB to be funded outside of the annual appropriations process, and this bill brings the CFPB into the regular process.

Status Update: no change since the last report.

H.R.1266, Financial Product Safety Commission Act of 2015

Introduced on March 4 by Congressman Randy Neugebauer (R-TX-19) with 20 (now 47) cosponsors. The bill was referred to the House Committee on Financial Services. Amends the Consumer Financial Protection Act of 2010 to replace the Consumer Financial Protection Bureau as an independent bureau within the Federal Reserve System, with an independent Financial Product Safety Commission that is to regulate the offering and provision of consumer financial products or services. States that the Commission (like the current Bureau) shall be composed of five members with strong competencies and experiences regarding consumer financial products and services, each to serve for a term of five years, and appointed by the President by and with the advice and consent of the Senate. Prohibits the Chair of the Commission from submitting requests for estimates related to appropriations without prior Commission approval.

Status Update: three additional cosponsors added since the last report.

H.R.1265, Bureau Advisory Commission Transparency Act

Introduced on March 4 by Congressman Sean Duffy (R-WI-7) with 2 (now 7) cosponsors. The bill was referred to the Committees on Financial Services and Oversight and Government Reform. Amends the Consumer Financial Protection Act of 2010 to apply the Federal Advisory Committee Act applicable to each advisory committee and subcommittee of the Consumer Financial Protection Bureau. Note: on April 13 the bill passed the House.

Status Update: no change since the last report.

H.R.1195, Bureau of Consumer Financial Protection Advisory Boards Act

Introduced on March 2 by Congressman Robert Pittenger (R-NC-9) with one (now 19) cosponsor. The bill was referred to the House Committee on Financial Services. Note: on March 25 the bill was reported from Committee. Amends the Consumer Financial Protection Act of 2010 to direct the Director of the Consumer Financial Protection Bureau (CFPB) to establish a Small Business Advisory Board to: (1) advise and consult with the CFPB in the exercise of its functions under the federal consumer financial laws regarding eligible financial products or services, and (2) provide information on evolving small business practices. Requires such Board members to be representatives of small business concerns that: provide financial products or services for use by consumers primarily for personal, family, or household purposes, are service providers to covered persons; and use consumer financial products or services in financing the business activities of such small businesses. Encourages the Director, in making such Board appointments, to ensure the participation of minority- and women-owned small business concerns and their interests, without regard to party affiliation. Instructs the Director to establish a Credit Union Advisory Council and a Community Bank Advisory Council to advise and consult with the CFPB on consumer financial products or services that impact credit unions and community banks, respectively. Encourages the Director, in making appointments to such Councils, to ensure the participation of credit unions and community banks predominantly serving traditionally underserved communities and populations and their interests, without regard to party affiliation. Note: on April 22 the bill passed the House.

Status Update: four additional cosponsors added since the last report.

H.R.1486, To amend the Consumer Financial Protection Act of 2010 to bring the Bureau of Consumer Financial Protection into the regular appropriations process, and for other purposes

Introduced on March 19 by Congressman Andy Barr (R-Ky-6) with 5 (now 11) cosponsors. The bill was referred to the House Committee on Financial Services.

Status Update: six additional cosponsors added since the last report.

S.560, Promoting Automotive Repair, Trade, and Sales Act of 2015 or the PARTS Act

Introduced on February 25 by Senator Orin Hatch (R-UT) with one cosponsor. The bill was referred to the Committee on the Judiciary. The bill declares that it is not an act of infringement, with respect to a design patent that claims a component part of a motor vehicle as originally

manufactured, to: (1) make, test, or offer to sell within, or import into, the United States any article of manufacture that is similar or the same in appearance to the component part claimed in such design patent if the purpose of such article is for the repair of a motor vehicle to restore its appearance as originally manufactured; or (2) use or sell within the United States any such same or similar articles for such restorations more than 30 months after the claimed component part is first offered for public sale as part of a motor vehicle in any country. Defines: (1) "component part" as a component part of the exterior of a motor vehicle only (such as a hood, fender, tail light, side mirror, or quarter panel), excluding an inflatable restraint system or other component part located in the interior of a motor vehicle; and (2) "offer to sell" to include marketing or pre-sale distribution. Applies this Act to any patent issued, or application filed, before, on, or after the effective date of this Act.

Status Update: no change since the last report.

H.R.1057, Promoting Automotive Repair, Trade, and Sales Act of 2015 or the PARTS Act

Introduced on February 25 by Congressman Darrell Issa (R-CA-49) with 3 (now 14) cosponsors. The bill was referred to the House Committee on the Judiciary. The bill declares that it is not an act of infringement, with respect to a design patent that claims a component part of a motor vehicle as originally manufactured, to: (1) make, test, or offer to sell within, or import into, the United States any article of manufacture that is similar or the same in appearance to the component part claimed in such design patent if the purpose of such article is for the repair of a motor vehicle to restore its appearance as originally manufactured; or (2) use or sell within the United States any such same or similar articles for such restorations more than 30 months after the claimed component part is first offered for public sale as part of a motor vehicle in any country. Defines: (1) "component part" as a component part of the exterior of a motor vehicle only (such as a hood, fender, tail light, side mirror, or quarter panel), excluding an inflatable restraint system or other component part located in the interior of a motor vehicle; and (2) "offer to sell" to include marketing or pre-sale distribution. Applies this Act to any patent issued, or application filed, before, on, or after the effective date of this Act.

Status Update: five additional cosponsors added since the last report.

H.R.1766, Right to Lend Act of 2015

Introduced on April 14 by Congressman Robert Pittenger (R-NC-9) with no (now 1) cosponsors. The bill was referred to the House Committee on Financial Services. The bill repeal provisions of the Equal Credit Opportunity Act, as amended by Dodd-Frank Wall Street Reform and Consumer Protection Act, that require financial institutions to: (1) inquire whether businesses applying for credit for a women-owned, minority-owned, or small business are such a business; and (2) submit annually to the Consumer Financial Protection Bureau, in a manner to be made available to the public, a record of the responses to such inquiry, including census tract information and disclosures as to the race, sex, and ethnicity of the principal owners of such businesses.

Status Update: one additional cosponsor added since the last report.

S.881, Comprehensive Regulatory Review Act of 2015

Introduced on March 26 by Senator Mike Crapo (R-ID) with no cosponsors. The bill was referred to the Committee on Banking, Housing, and Urban Affairs. This bill amends the Economic Growth and Regulatory Paperwork Reduction Act of 1996 to specify the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System, the Consumer Financial Protection Bureau, and the National Credit Union Administration Board as the federal agency representatives on the Federal Financial Institutions Examination Council which are required, along with the Council, to review all Council-prescribed regulations at least once every 10 years in order to identify outdated or unnecessary regulatory requirements imposed upon financial institutions (currently, only insured depository institutions). This decennial review shall include all regulations issued pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Status Update: no change since the last report.

H.R.2198, Raechel and Jacqueline Houck Safe Rental Car Act of 2015

Introduced on May 1 by Congresswoman Lois Capps (D-CA-24) with 3 cosponsors. The bill was referred to the Committees on Transportation and Infrastructure and Energy and Commerce. Authorizes a rental company that receives a notification (approved by the National Highway Traffic Safety Administration) from the manufacturer of a covered rental vehicle about any equipment defect, or noncompliance with federal motor vehicle safety standards, to rent or sell the vehicle or equipment only if the defect or noncompliance is remedied. Specifies any rental vehicle: (1) rated at 10,000 pounds gross vehicle weight or less, (2) rented without a driver for an initial term of under 4 months, and (3) that is part of a motor vehicle fleet of 5 or more motor vehicles used for rental purposes by a rental company. Prescribes a special rule to require rental companies to comply with specified limitations on sale, lease, or rental of a motor vehicle as soon as practicable, but within 24 hours after the earliest receipt of the manufacturer's notification of a defect or noncompliance with vehicle safety standards, whether by electronic means or first class mail. Extends the 24-hour deadline for complying with such limitations to 48 hours if the notification covers more than 5,000 motor vehicles in the rental company's fleet. Permits a rental company to rent (but not sell or lease) a motor vehicle subject to recall if the defect or noncompliance remedy is not immediately available and the company takes any actions specified in the notice to alter the vehicle temporarily to eliminate the safety risk posed. Makes these special rules for rental companies inapplicable to junk automobiles. Prohibits a rental company from knowingly making inoperable any safety devices or elements of design installed on or in a compliant motor vehicle or vehicle equipment unless the company reasonably believes the vehicle or equipment will not be used when the devices or elements are inoperable. Authorizes the Secretary, upon request, to inspect records of a rental company with respect to a safety investigation. Authorizes the Secretary to require a rental company to keep records or make reports for purposes of compliance with federal motor vehicle safety orders or regulations. Authorizes the Secretary to study the effectiveness of the amendments made by this Act and of other activities of rental companies. Amends the Moving Ahead for Progress in the 21st Century

Act (MAP-21) to require the mandatory study of the safety of rental trucks during a specified seven-year period to evaluate the completion of safety recall remedies on rental trucks. Directs the Secretary to solicit comments regarding the implementation of this Act from members of the public, including rental companies, consumer organizations, automobile manufacturers, and automobile dealers. Declares that nothing in this Act shall: (1) be construed to create or increase any liability for a manufacturer who manufactures or imports a motor vehicle that is subject to defect or noncompliance recall requirements; or (2) supersede or otherwise affect the contractual obligations, if any, between such manufacturer and a rental company.

Status Update: no change since the last report.

S.1173, Raechel and Jacqueline Houck Safe Rental Car Act of 2015

Introduced on April 30 by Senator Charles Schumer (D-NY) with 7 cosponsors. The bill was referred to the Committee on Commerce, Science, and Transportation. Authorizes a rental company that receives a notification (approved by the National Highway Traffic Safety Administration) from the manufacturer of a covered rental vehicle about any equipment defect, or noncompliance with federal motor vehicle safety standards, to rent or sell the vehicle or equipment only if the defect or noncompliance is remedied. Specifies any rental vehicle: (1) rated at 10,000 pounds gross vehicle weight or less, (2) rented without a driver for an initial term of under 4 months, and (3) that is part of a motor vehicle fleet of 5 or more motor vehicles used for rental purposes by a rental company. Prescribes a special rule to require rental companies to comply with specified limitations on sale, lease, or rental of a motor vehicle as soon as practicable, but within 24 hours after the earliest receipt of the manufacturer's notification of a defect or noncompliance with vehicle safety standards, whether by electronic means or first class mail. Extends the 24-hour deadline for complying with such limitations to 48 hours if the notification covers more than 5,000 motor vehicles in the rental company's fleet. Permits a rental company to rent (but not sell or lease) a motor vehicle subject to recall if the defect or noncompliance remedy is not immediately available and the company takes any actions specified in the notice to alter the vehicle temporarily to eliminate the safety risk posed. Makes these special rules for rental companies inapplicable to junk automobiles. Prohibits a rental company from knowingly making inoperable any safety devices or elements of design installed on or in a compliant motor vehicle or vehicle equipment unless the company reasonably believes the vehicle or equipment will not be used when the devices or elements are inoperable. Authorizes the Secretary, upon request, to inspect records of a rental company with respect to a safety investigation. Authorizes the Secretary to require a rental company to keep records or make reports for purposes of compliance with federal motor vehicle safety orders or regulations. Authorizes the Secretary to study the effectiveness of the amendments made by this Act and of other activities of rental companies. Amends the Moving Ahead for Progress in the 21st Century Act (MAP-21) to require the mandatory study of the safety of rental trucks during a specified seven-year period to evaluate the completion of safety recall remedies on rental trucks. Directs the Secretary to solicit comments regarding the implementation of this Act from members of the public, including rental companies, consumer organizations, automobile manufacturers, and automobile dealers. Declares that nothing in this Act shall: (1) be construed to create or increase any liability for a manufacturer who manufactures or imports a motor vehicle that is subject to defect or noncompliance recall requirements; or (2) supersede or otherwise affect the contractual

obligations, if any, between such manufacturer and a rental company.

Status Update: no change since the last report.

H.R.2099, To amend the Consumer Financial Protection Act of 2010 to require the Bureau of Consumer Financial Protection to develop a model form for a disclosure notice that shall be used by depository institutions and credit unions, and for other purposes.

Introduced April 29 by Congressman John Carney (R-DE-At large) with no cosponsors. The bill was referred to the House Committee on Financial Services. Amends the Consumer Financial Protection Act of 2010 to require the Consumer Financial Protection Bureau to develop a model form for a disclosure notice to be used by depository institutions and credit unions to inform consumers before they open a checking account. Exempts from the requirement to use such a form any depository institutions or credit unions with total assets of less than \$2 billion.

Status Update: no change since the last report.

H. R. 2094, To repeal titles I and II of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Introduced on April 29 by Congresswoman Lynn Westmoreland (D-GA-3) with no cosponsors. The bill was referred to the Committees on Agriculture, the Judiciary, and Ways and Means. Titles I and II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5301 et seq.) are hereby repealed, and the provisions of law amended or repealed by such titles are restored or revived as if such titles had not been enacted.

Status Update: no change since the last report.

S.1383, Consumer Financial Protection Bureau Accountability Act of 2015

Introduced on May 19 by Senator David Perdue (R-GA) with no (now 5) cosponsors. The bill was referred to the Committee on Banking, Housing, and Urban Affairs. This bill amends the Consumer Financial Protection Act of 2010 to change the source of funding for the Consumer Financial Protection Bureau (CFPB) from Federal Reserve System transfers to annual appropriations. Under current law, the transfers from the Federal Reserve System permit the CFPB to be funded outside of the annual congressional appropriations process.

Status Update: five additional cosponsors added since the last report.

S.1565, Military Consumer Protection Act

Introduced on June 11, by Senator Jack Reed (D-RI) with 11 cosponsors. The bill was referred to the Committee on Banking, Housing, and Urban Affairs. This bill amends the Consumer Financial Protection Act to extend Consumer Financial Protection Bureau oversight and protection to provisions under the Servicemembers Civil Relief Act concerning: future financial

transactions, excluding insurance; default judgments, excluding child custody proceedings; interest rates on pre-service debts; evictions; purchase or lease installment contracts; mortgages and trusts; motor vehicle leases; telephone service contracts; and waiver of rights pursuant to a written agreement, excluding bailments.

Status Update: no change since the last report.