

Navigating the Storm

ADDRESSING THE CHALLENGES OF TODAY'S REGULATORY ENVIRONMENT

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What We'll Cover

- **Constitutional Challenge to Franchise Laws**
- **Catalytic Converter Theft**
- **LIFO Recapture**
- **Fuel Economy Mandates**
- **CFPB Initiatives**
- **Report on Discrimination**
- **FTC Enforcement Actions**
- **FTC Rulemaking**
- **Proposed Vehicle Shopping Rule**
- **MLA Litigation**

Constitutional Challenge to Franchise Laws

Case 2:22-cv-02982-SSV-DPC Document 107-5 Filed 11/10/22 Page 1 of 35

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

TESLA, INC., TESLA LEASE TRUST,
AND TESLA FINANCE, LLC

Plaintiffs

CIVIL ACTION NO. 2:22-cv-02982

JUDGE SARAH S. VANCE

VERSUS

LOUISIANA AUTOMOBILE DEALERS
ASSOCIATION, in itself and on behalf of
its members, Executive Committee, and
Board of Directors, ET AL.

Defendants

MAG. JUDGE DONNA PHILLIPS CURRAULT

MEMORANDUM IN SUPPORT OF DEFENDANT LOUISIANA AUTOMOBILE DEALERS ASSOCIATION INC.'S MOTION TO DISMISS PURSUANT TO RULE 12(b)(6)

INTRODUCTION

The complaint here must be dismissed in its entirety. The basic allegation in this case is that a trade association successfully lobbied a state legislature to amend a statute in a way that benefits the association's members and then lobbied a state agency to interpret a related law to similar effect. The core complaint here, in other words, is that defendant Louisiana Automobile Dealers Association ("LADA" or the "Association") exercised its First Amendment right to petition and was persuasive. That is both commonplace and constitutionally protected; as this Court has long recognized, "allegations that [a trade association] sought to influence the [government] and succeeded" are not the stuff of antitrust liability. *Ehlinger & Assocs. v. La. Architects Ass'n*, 989 F.Supp. 775, 785 (E.D. La.), *aff'd*, 167 F.3d 537 (5th Cir. 1998).

Indeed, such conduct is wholly immune from liability under the Sherman Act and other laws policing anticompetitive behavior precisely because it is protected by the First Amendment.

2420338.v1

Case 2:22-cv-02982-SSV-DPC Document 169 Filed 02/01/23 Page 1 of 3

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

TESLA, INC., TESLA LEASE TRUST,
AND TESLA FINANCE, LLC

Plaintiffs

CIVIL ACTION NO. 2:22-cv-02982

VERSUS

JUDGE SARAH S. VANCE

LOUISIANA AUTOMOBILE DEALERS
ASSOCIATION, in itself and on behalf of
its members, Executive Committee, and
Board of Directors, ET AL.

Defendants

MAG. JUDGE DONNA PHILLIPS CURRAULT

DEFENDANT LOUISIANA AUTOMOBILE DEALERS ASSOCIATION, INC.'S MOTION TO DISMISS PURSUANT TO RULE 12(b)(6) OF THE FEDERAL RULES OF CIVIL PROCEDURE

NOW COMES Defendant, Louisiana Automobile Dealers Association, Inc. ("the Association"), which files this Motion to Dismiss the Plaintiffs' Complaint, with prejudice, for failure to state a claim upon which relief can be granted pursuant to Rule 12(b)(6) of the Federal Rules of Civil Procedure. Based on the entirety of the allegations made in Plaintiffs' First Amended Complaint for Declaratory and Injunctive Relief ("First Amended Complaint"), all claims made against all Defendants should be dismissed, with prejudice. The Association is made a Co-Defendant to all claims pursuant to Count VII [Doc. 151, ¶¶384-386], which incorporates all of the claims made in the First Amended Complaint against every Defendant, and seeks a declaration of liability accordingly. In support of this motion, the Association submits the attached memorandum in support.

WHEREFORE, the Louisiana Automobile Dealers Association, Inc. prays that, after all proceedings be had, this Motion be granted, and all of the claims made against the Louisiana

Preventing Auto Recycling Theft (PART) Act



118TH CONGRESS
1ST SESSION

H. R. 621

To prevent the theft of catalytic converters and other precious metal car parts, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 30, 2023

Mr. BAIRD (for himself, Ms. MCCOLLUM, Ms. CRAIG, Mr. FEENSTRA, and Mr. GUEST) introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committees on the Judiciary, and Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To prevent the theft of catalytic converters and other precious metal car parts, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 SECTION 1. SHORT TITLE.

4 This Act may be cited as the "Preventing Auto Recy-
5 cling Theft Act" or the "PART Act".



118TH CONGRESS
1ST SESSION

S. 154

To prevent the theft of catalytic converters and other precious metal car parts, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JANUARY 30, 2023

Ms. KLOBUCHAR (for herself, Mr. BRAUN, Mr. WYDEN, and Mr. VANCE) introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

A BILL

To prevent the theft of catalytic converters and other precious metal car parts, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 SECTION 1. SHORT TITLE.

4 This Act may be cited as the "Preventing Auto Recy-
5 cling Theft Act" or the "PART Act".

6 SEC. 2. REQUIREMENTS FOR NEW MOTOR VEHICLE REGU-
7 LATIONS RELATING TO CATALYTIC CON-
8 VERTERS.

9 (a) IN GENERAL.—Not later than 180 days after the
10 date of enactment of this Act, the Administrator of the

Supply Chain Disruptions Relief Act

AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

118TH CONGRESS
1ST SESSION

H. R. 700

To treat certain liquidations of new motor vehicle inventory as qualified liquidations of LIFO inventory for purposes of the Internal Revenue Code of 1986.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 1, 2023

Mr. ARRINGTON (for himself and Mr. KILDEE) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To treat certain liquidations of new motor vehicle inventory as qualified liquidations of LIFO inventory for purposes of the Internal Revenue Code of 1986.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

SECTION 1. SHORT TITLE.

4 This Act may be cited as the “Supply Chain Disrup-
5 tions Relief Act”.

AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

118TH CONGRESS
1ST SESSION

S. 443

To treat certain liquidations of new motor vehicle inventory as qualified liquidations of LIFO inventory for purposes of the Internal Revenue Code of 1986.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 15, 2023

Mr. BROWN (for himself, Mr. SCOTT of South Carolina, Ms. BALDWIN, Mr. BLUMENTHAL, Mr. CARDIN, Mr. CARPER, Mr. COONS, Ms. CORTEZ MASTO, Ms. DUCKWORTH, Mrs. FEINSTEIN, Ms. HASSAN, Mr. KELLY, Mr. KING, Ms. KLOBUCHAR, Mr. MANCHIN, Mrs. MURRAY, Mr. PADILLA, Mr. PETERS, Mrs. SHAHEEN, Ms. SMITH, Ms. STABENOW, Mr. TESTER, Mr. VAN HOLLEN, Mr. WARNOCK, Mr. BARRASSO, Mrs. BLACKBURN, Mr. BOOZMAN, Mr. BRAUN, Mrs. CAPITO, Mr. CASSIDY, Mr. CORNYN, Mr. CRAMER, Mr. CRAPO, Mr. DAINES, Mr. GRASSLEY, Mr. HAGERTY, Mr. HOEVEN, Mrs. HYDE-SMITH, Mr. JOHNSON, Mr. LANKFORD, Ms. LUMMIS, Mr. MARSHALL, Mr. MORAN, Mr. RISCH, Mr. ROUNDS, Mr. RUBIO, Mr. SCOTT of Florida, Mr. THUNE, Mr. TILLIS, and Mr. WICKER) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To treat certain liquidations of new motor vehicle inventory as qualified liquidations of LIFO inventory for purposes of the Internal Revenue Code of 1986.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

Fuel Economy



Small Business Credit Applications



Consumer
Financial
Protection
Bureau



§ 1022 Orders

Our auto finance data pilot

By Chris Kukla, Richard Landau, and Ashwin Vasani – FEB 23, 2023

The auto finance market has seen significant change over the past two years. Car prices have risen substantially, leading to larger loan amounts and higher monthly payments. These more expensive loans are beginning to have an impact on financial stability. Recent data show an increase in delinquency rates, particularly for [low-income consumers](https://libertystreeteconomics.newyorkfed.org/2022/09/22/low-income-consumers-likely-to-be-ed-out-of-the-current-market/) (<https://libertystreeteconomics.newyorkfed.org/2022/09/22/low-income-consumers-likely-to-be-ed-out-of-the-current-market/>) and the impact of high vehicle costs on American consumers. This pilot is part of our monitoring the auto finance market and piloting a new collection of auto finance data.

“Lending Channel Differences. Currently, data is generally not broken down by whether the consumer secures financing for the purchase of the vehicle directly with a lender (direct lending) or whether the dealer arranges financing for the purchaser (indirect lending). As a result, it can be difficult—and in some cases nearly impossible—to analyze differences between direct and indirect auto loans.”

Today, we issued orders to nine large auto lenders to provide information about their auto lending portfolios. Congress has tasked us with ensuring that markets for consumer financial products and services are fair, transparent, and competitive. We routinely ask lenders in different sectors of the market to provide information and data that helps us monitor risks to consumers and to publish aggregated findings that are in the public interest.

These nine lenders represent a cross-section of the auto finance market. The data collected from their responses to these orders will help us build a quality data set that provides insights into lending channels, loan performance, and information on potential risks to consumers.



FEDERAL RESERVE BANK of CHICAGO

Banking

Research

Events

Education

Region & Community

ProfitWise News and Views, No. 1, January 2023

Evidence of Racial Discrimination in the \$1.4 Trillion Auto Loan Market

By [Jonathan Lanning](#)

In the United States, cars are both ubiquitous and essential: More than 90% of U.S. households have at least one vehicle, and more than 92% of commuters rely on cars to get to work.¹ Even during the Covid-19 pandemic, the average driver in the United States traveled around 31 miles in their vehicle each day.² Owning a car is especially important in communities where most households have low and moderate incomes (LMI households).³ In such neighborhoods or towns, vehicles enable their residents to access not only places of employment, but also places to get food, medical care, and other resources that are located far away from their homes.

Vehicles, along with the loans used to obtain them, play an outsized role in the financial lives of LMI households.

Vehicles, along with the loans used to obtain them, play an [outsized role](#) in the financial lives of LMI households. Since homeownership and college attendance rates are lower for people in these households, an auto loan is often the largest loan

an LMI household will ever take out and may be its primary connection to financial markets. Because the average time a household owns a particular car is just six years,⁴ many people will take out several car loans over the course of their lives. This means not only that auto loans make up a large portion of the debt carried by LMI households at any point in time, but also that auto loans' cumulative impact on these households is larger than any single loan would imply. In addition to playing an outsized role on the debt side of LMI households' balance sheets, autos frequently represent the largest source of wealth for these households.⁵ Given the role autos play for many LMI households, any disparities in the costs of auto loans by demographic characteristics could have significant and long-lasting effects on the wealth and financial well-being of LMI households. [Roughly 60% of Black households and about half of Hispanic households in the United States are LMI households](#), so racial discrimination in the auto loan market could be particularly harmful to Black and Hispanic communities.

FTC Enforcement Action

(April 2022)

FTC Takes Action Against Multistate Auto Dealer Napleton for Sneaking Illegal Junk Fees onto Bills and Discriminating Against Black Consumers

Napleton Auto will pay a record-setting \$10 Million in case brought jointly with the State of Illinois

The Federal Trade Commission and the State of Illinois are taking [action against Napleton](#), a large, multistate auto dealer group based in Illinois, for sneaking illegal junk fees for unwanted “add-ons” onto customers’ bills and for discriminating against Black consumers by charging them more for financing. [Napleton will pay \\$10 million](#) to settle the lawsuit brought by the FTC and the State of Illinois, a record-setting monetary judgment for an FTC auto lending case.

“Working closely with the Illinois Attorney General, we are holding these dealerships accountable for discriminating against minority consumers and sneaking junk fees onto people’s bills,” said Samuel Levine, Director of the FTC’s Bureau of Consumer Protection. “Especially as families struggle with rising car prices, dealerships that cheat their customers can expect to hear from us.”

The complaint against North American Automotive Services, Inc. (also known as Ed Napleton Automotive Group) alleges that eight of its dealerships and the general manager of two Illinois dealerships illegally tacked on junk fees for unwanted “add-on” products such as payment insurance and paint protection. The illegal junk fees cost consumers hundreds or even thousands of dollars.

According to the complaint, the dealerships would often wait until the end of the hours-long negotiation process to sneak junk fees for add-on products and services into consumers’ purchase contracts, which often run as long as 60 pages. These junk fees were often added despite consumers specifically declining the add-ons or having confirmed prices that did not include the add-ons. In other cases, the consumers were falsely told the add-ons were free or were a requirement to purchase or finance their vehicle.

FTC Enforcement Action

(October 2022)

UNITED STATES DISTRICT COURT
DISTRICT OF MARYLAND

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

PASSPORT AUTOMOTIVE GROUP, INC., a
corporation,

PASSPORT MOTORCARS, INC., a corporation,
also d/b/a as PASSPORT NISSAN OF MARLOW
HEIGHTS, also d/b/a as PASSPORT NISSAN OF
VIRGINIA, also d/b/a as PASSPORT INFINITI
OF ALEXANDRIA,

IMPORT MOTORCARS, INC., a corporation,
also d/b/a PASSPORT MAZDA,

AUTOS INTERNATIONAL, INC., a corporation,
also d/b/a PASSPORT INFINITI OF SUITLAND,

PASSPORT IMPORTS, INC., a corporation, also
d/b/a PASSPORT TOYOTA,

PASSPORT MOTORS HOLDING, INC., a
corporation, also d/b/a PASSPORT MINI OF
MONTGOMERY COUNTY,

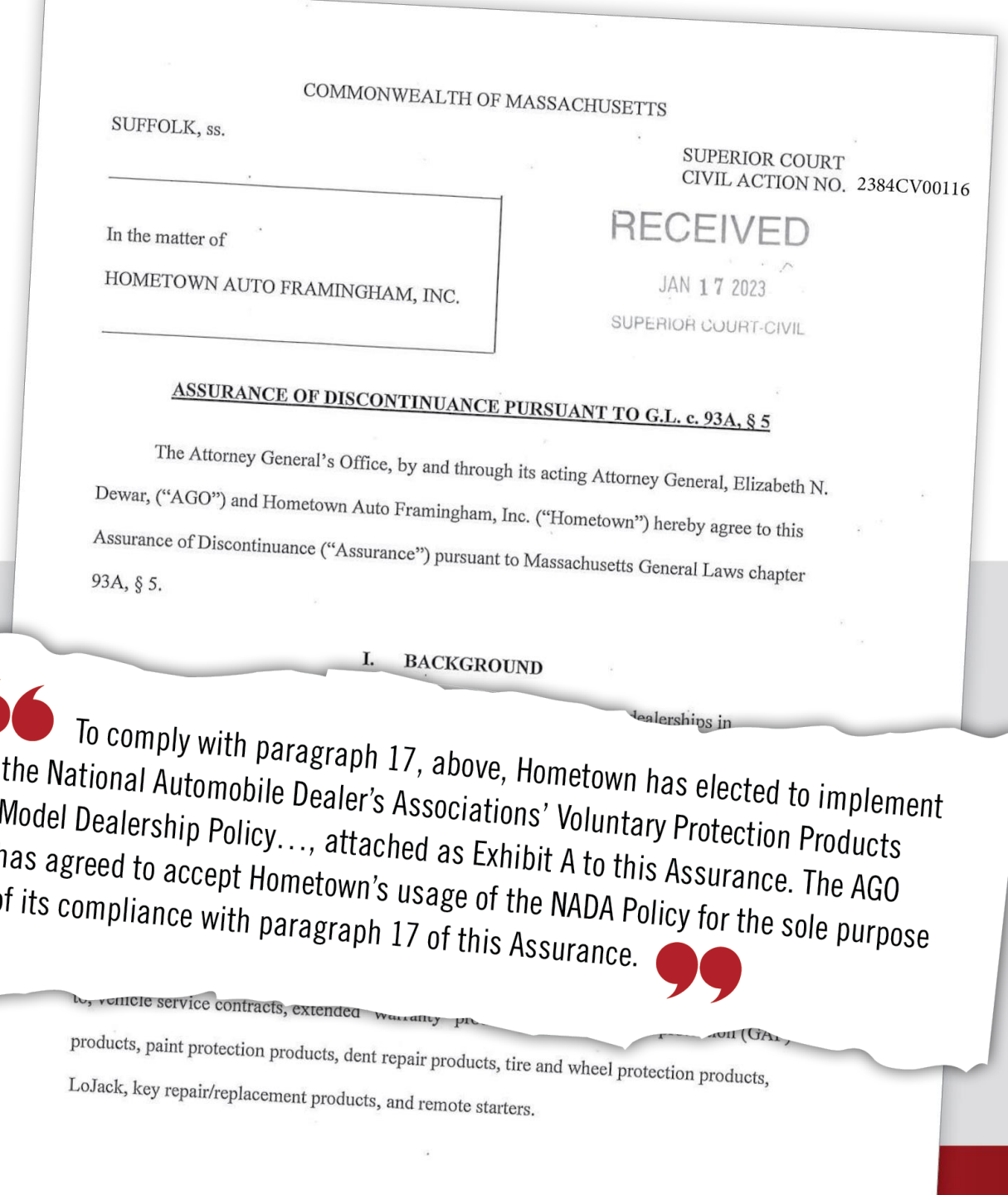
PASSPORT OF ALEXANDRIA, INC., a
corporation, also d/b/a PASSPORT MINI OF
ALEXANDRIA,

INTERNATIONAL MOTORCARS, INC., a
corporation, also d/b/a PASSPORT BMW,

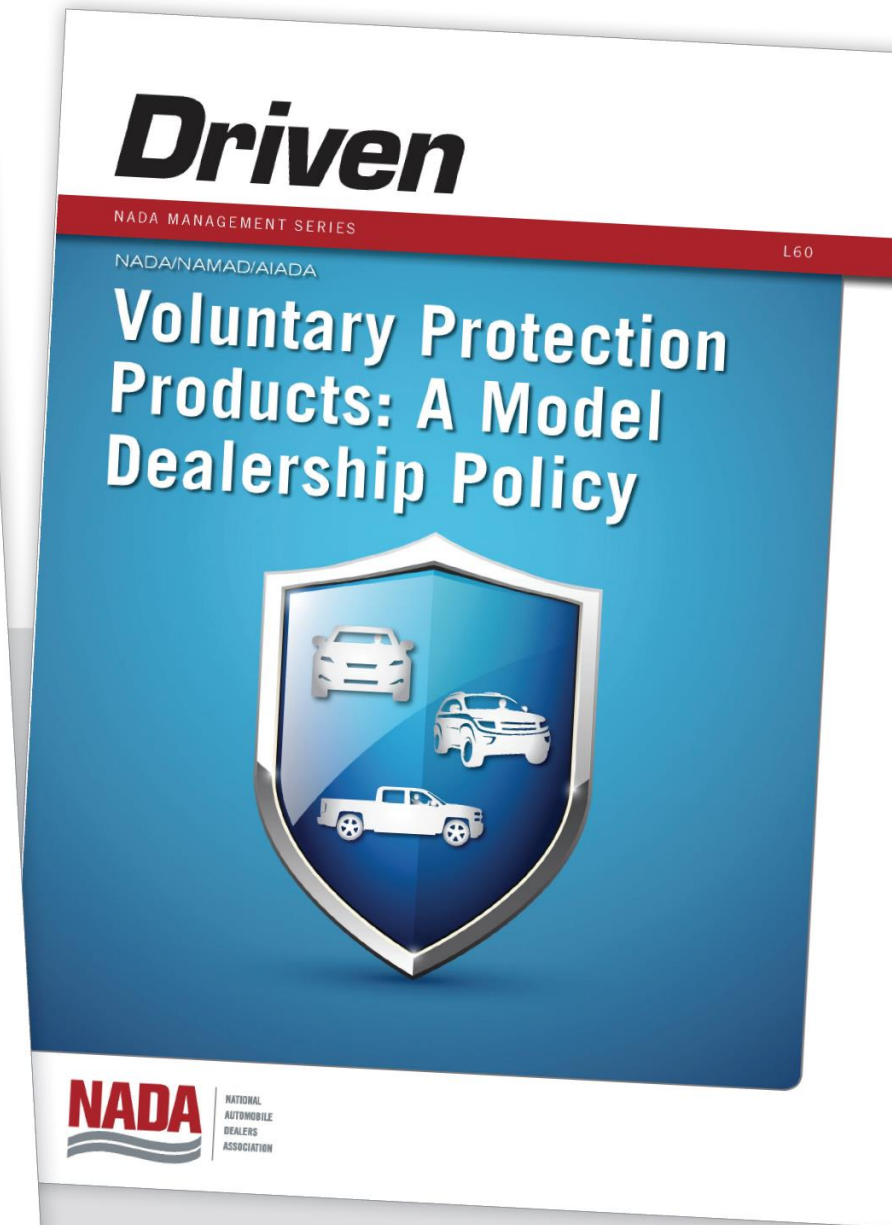
Case No. _____

**STIPULATED ORDER FOR
PERMANENT INJUNCTION,
MONETARY JUDGMENT, AND
OTHER RELIEF**

Mass AG Enforcement Action (January 2023)



Optional Dealer Compliance Policies



Amended Safeguards Rule

For Release

FTC Strengthens Security Safeguards for Consumer Financial Information Following Widespread Data Breaches

Agency updates Safeguards Rule to better protect the American public from breaches and cyberattacks that lead to identity theft and other financial losses

October 27, 2021



Tags: [Consumer Protection](#) | [Bureau of Consumer Protection](#) | [Finance](#) | [Privacy and Security](#) | [Consumer Privacy](#) | [Data Security](#) | [Gramm-Leach-Bliley Act](#)

The Federal Trade Commission today announced a newly updated rule that strengthens the data security safeguards that financial institutions are required to put in place to protect their customers' financial information. In recent years, widespread data breaches and cyberattacks have resulted in significant harms to consumers, including monetary loss, identity theft, and other forms of financial distress. The FTC's updated Safeguards Rule requires non-banking financial institutions, such as mortgage brokers, motor vehicle dealers, and payday lenders, to develop, implement, and maintain a comprehensive security system to keep their customers' information safe.

"Financial institutions and other entities that collect sensitive consumer data have a responsibility to protect it," said Samuel Levine, Director of the FTC's Bureau of Consumer Protection. "The updates adopted by the Commission to the Safeguards Rule detail common-sense steps that these institutions must implement to protect consumer data from cyberattacks and other threats."

The changes adopted by the Commission to the [Safeguards Rule](#) include more specific criteria for what safeguards financial institutions must implement as part of their information security program such as limiting who can access consumer data and using encryption to secure the data. Under the updated Safeguards Rule, institutions must also explain their information sharing practices, specifically the administrative,

Related actions

[16 CFR Part 313: Privacy of Consumer Financial Information Rule under the Gramm-Leach-Bliley Act](#)

[16 CFR Part 314: Standards for Safeguarding Customer Information \(Supplemental Notice of Proposed Rulemaking\)](#)

[16 CFR Part 314: Standards for Safeguarding Customer Information \(Final Rule\)](#)

[Joint Statement of Commissioners Noah Joshua Phillips and Christine S. Wilson in the Matter of the Final Rule amending the Gramm-Leach-Bliley Act's Safeguards Rule](#)

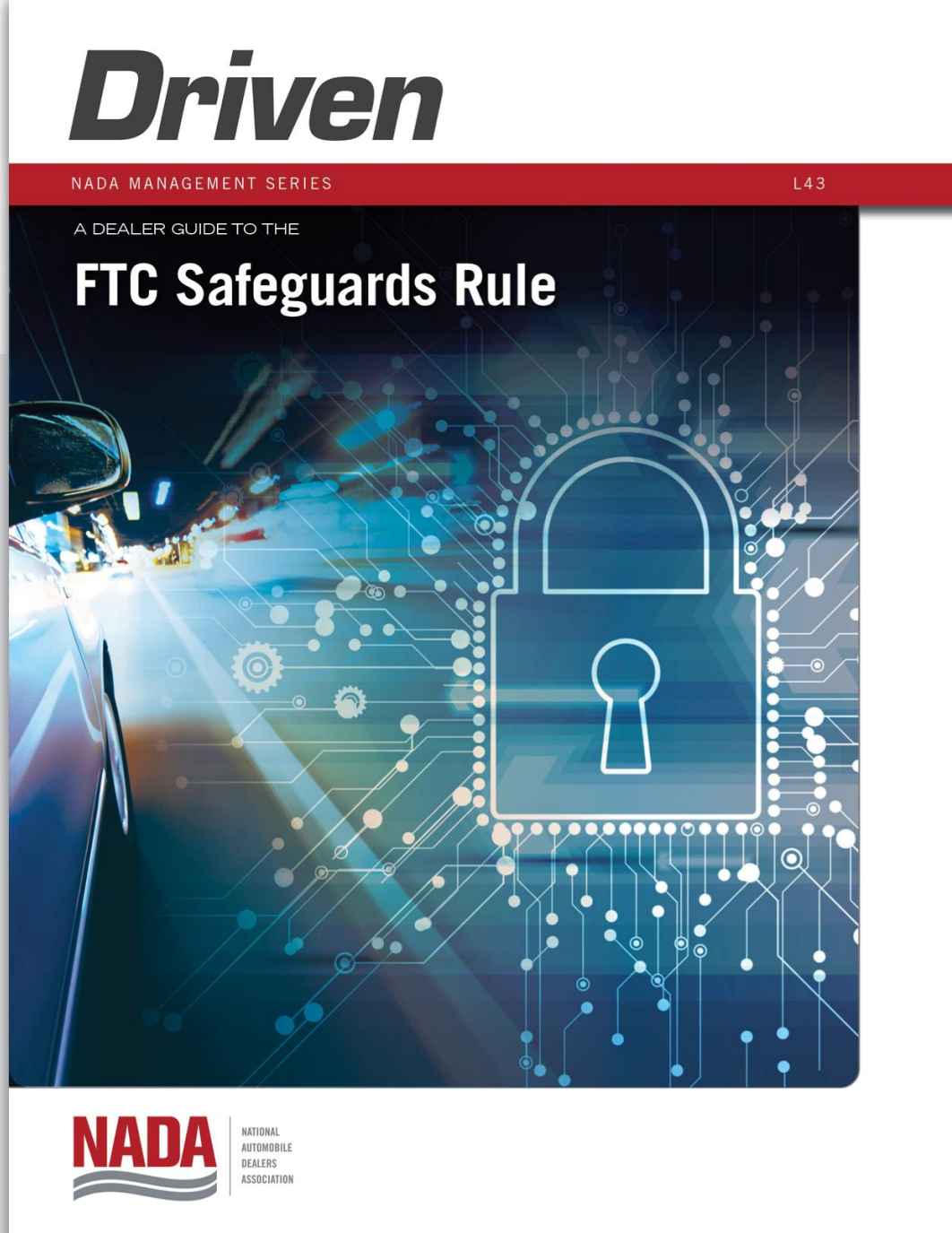
[Statement of Chair Lina M. Khan Joined by Commissioner Rebecca Kelly Slaughter Regarding Regulatory Review of](#)

Feedback

Updated NADA Driven Guide

Compliance Steps

- Designate Qualified Individual to Oversee Program
- Conduct Risk Assessments
- Implement Mandatory Safeguards to Control Risks
- Regularly Audit Safeguards
- Implement Policies for Personnel
- **Oversee Service Providers**
- Draft Incident Response Plan
- Report to Board



Proposed Non-Compete Clause Rule

For Release

FTC Proposes Rule to Ban Noncompete Clauses, Which Hurt Workers and Harm Competition

Agency estimates new rule could increase workers' earnings by nearly \$300 billion per year

January 5, 2023

Tags: [Competition](#) | [Office of Policy Planning](#) | [Bureau of Competition](#) | [Unfair Methods of Competition](#)

The Federal Trade Commission [proposed a new rule](#) that would ban employers from imposing noncompetes on their workers, a widespread and often exploitative practice that suppresses wages, hampers innovation, and blocks entrepreneurs from starting new businesses. By stopping this practice, the agency estimates that the new proposed rule could increase wages by nearly \$300 billion per year and expand career opportunities for about 30 million Americans.

The FTC is [seeking public comment](#) on the proposed rule, which is based on a preliminary finding that noncompetes constitute an unfair method of competition and therefore violate Section 5 of the Federal Trade Commission Act.

"The freedom to change jobs is core to economic liberty and to a competitive, thriving economy," said Chair Lina M. Khan. "Noncompetes block workers from freely switching jobs, depriving them of higher wages and better working conditions, and depriving businesses of a talent pool that they need to build and expand. By ending this practice, the FTC's proposed rule would promote greater dynamism, innovation, and healthy competition."

Companies use noncompetes for workers across industries and job levels, from hairstylists and warehouse workers to doctors and business executives. In many cases, employers use their outsized bargaining power to coerce workers into signing these contracts. Noncompetes harm competition in U.S. labor markets by blocking workers from pursuing better opportunities and by preventing employers from hiring the best available talent.

Spot Delivery Petition



1215 17th St NW, 5th Floor, Washington, DC 20036, (202) 452-1989

April 29, 2022

Federal Trade Commission
Office of the Secretary, Suite CC-5610,
600 Pennsylvania Avenue NW,
Washington, DC 20580
Via: electronicfilings@ftc.gov

Request for Rulemaking Concerning the Finality of a Car Purchase (Spot Delivery and Yo-Yo Financing)

The National Association of Consumer Advocates, the Consumer Federation of America, the Center for Responsible Lending, Consumers for Auto Reliability and Safety, the National Consumer Law Center, on behalf of its low-income clients, and U.S. PIRG respectfully request that the Federal Trade Commission (FTC or Commission) promulgate a rule requiring that a credit contract between a consumer and an auto dealer constitutes the final terms of a car sale. Under this proposal, the terms of the signed retail credit contract (also known as the retail installment sales contract-RISC) between the buyer and commercial seller of a car are treated as final, and would include a requirement that the consumer was fully approved for the credit terms in the contract before the signing, and that the credit terms in the contract remain effective whether or not the contract is or will be assigned to a third party. As discussed below, many sellers represent to car buyers that the sales transactions are complete with knowledge that the sales may actually be incomplete, causing costly additional negotiations and damage to buyers. The requested regulatory revisions would provide guidance to the auto retail sales industry with a bright line rule and bring clarity to help ensure that car buyers receive accurate, non-conflicting information regarding the final terms of the transaction.

The FTC has no formal regulation establishing an auto dealer's responsibilities regarding the finality of a car purchase. It has exclusive jurisdiction over car dealers that first extend credit to car buyers and then assign financing to third-party lenders. It is specifically authorized to issue a rule to curb unfair and deceptive practices relating to the sale, servicing, and leasing of motor vehicles.¹

Under this proposal, dealers would be required to include specific language in the credit contract that would protect both buyers and sellers, and ensure that all parties to a contract that sets forth the credit terms of a car sale can reasonably rely on the finality of those terms.

¹ 12 U.S.C. 5519(d).

Proposed Vehicle Shopping Rule

FTC Proposes Rule to Ban Junk Fees, Bait-and-Switch Tactics Plaguing Car Buyers

As auto prices surge, agency launches rulemaking to protect consumers' pocketbooks and level the playing field for honest dealers

June 23, 2022



Tags: [Consumer Protection](#) | [Bureau of Consumer Protection](#) | [Automobiles](#) | [Advertising and Marketing](#)

The Federal Trade Commission has [proposed a rule](#) to ban junk fees and bait-and-switch advertising tactics that can plague consumers throughout the car-buying experience. As auto prices surge, the Commission is seeking to eliminate the tricks and traps that make it hard or impossible to comparison shop or leave consumers saddled with thousands of dollars in unwanted junk charges. The proposed rule would protect consumers and honest dealers by making the car-buying process more clear and competitive. It would also allow the Commission to recover money when consumers are misled or charged without their consent.

"As auto prices surge, the Commission is taking comprehensive action to prohibit junk fees, bait-and-switch advertising, and other practices that hit consumers' pocketbooks," said Samuel Levine, Director of the FTC's Bureau of Consumer Protection. "Our proposed rule would save consumers time and money and help ensure a level playing field for honest dealers."

In the last ten years alone, the FTC has brought more than 50 law enforcement actions related to automobiles and helped lead two nationwide law enforcement sweeps that included 181 state-level enforcement actions in these areas. In spite of these actions, complaints from consumers related to automobiles remain in the top ten complaint types received by the FTC, with more than 100,000 complaints from consumers annually over the past three years.

Today, the FTC is taking a first step toward establishing a set of guidelines that would provide consumers with key protections against dealers who unlawfully charge junk fees without their consent or engage in bait-and-switch advertising. In the Notice of Proposed Rulemaking announced today, the Commission is seeking comment on proposed measures that would:

- **Ban bait-and-switch claims:** The proposal would prohibit dealers from making a number of deceptive advertising claims to lure in prospective car buyers. This deal deception can include the cost of a vehicle or the terms of financing, the cost of any add-on products or services, whether financing terms are for a lease, the credit limit,

Assessment of Costs Associated with
the Implementation of the Federal
Trade Commission Notice of
Proposed Rulemaking
(RIN 2022-14214), CFR Part 463

Publication submitted to:
National Automobile Dealers Association (NADA)

“Thus, while the FTC estimates the proposed rule will generate USD 29.7 billion in net consumer benefit over a ten-year period, CAR’s analysis reveals that the proposed rule would actually cost consumers USD 38.1 billion over those same ten years.”

Military Lending Act Litigation

PUBLISHED

UNITED STATES COURT OF APPEALS
FOR THE FOURTH CIRCUIT

No. 21-1697

JERRY DAVIDSON, individually and on behalf of others similarly situated,
Plaintiff - Appellant,

v.

UNITED AUTO CREDIT CORPORATION, a California corporation,
Defendants - Appellee.

Supporting Appellant.

ist.); SENATOR NORM COLEMAN, (R-MN,
DERMILK, (R-GA, 11th Dist.); REP. JEFF
2017); REP. PETE SESSIONS, (R-TX, 17th
, (R-SC, 4th Dist.); REP. JOE WILSON, (R-
FINANCIAL SERVICES ASSOCIATION;
SOCIATION; GUARANTEED ASSET
TIONAL AUTOMOBILE DEALERS
CREDIT INDUSTRY ASSOCIATION;
THE UNITED STATES OF AMERICA,

Supporting Appellee.

Appeal from the United States District Court for the Eastern District of Virginia, at
Alexandria. Leonie M. Brinkema, District Judge. (1:20-cv-01263-LMB-JFA)

“So if a member of the military takes out a secured loan to purchase a car, then the exception is satisfied and the Act does not apply. But what happens when the loan finances both the car and some related costs? Is the statute’s exception contingent on the loan financing solely the purchase of the car— i.e., is the dual-purpose loan no longer offered for the express purpose of financing the car? The district court said no and we agree. If a loan finances a car and related costs, then it is for the express purpose of financing the car purchase and the exception can apply.”



Questions?