



November 13, 2015

The Honorable Congressman G.K. Butterfield  
2305 RHOB  
Washington, DC 20005

Dear Congressman Butterfield:

The National Association of Minority Automobile Dealers (NAMAD) is not in support of H.R. 1737, "Reforming CFPB Indirect Auto Financing Guidance Act", as we believe this issue can and should be resolved non-legislatively. This legislation does nothing to alter the Consumer Financial Protection Bureau's (CFPB) authority to enforce, or lenders' obligations under the Equal Credit Opportunity Act (Act).

We support the CFPB's mission to ensure that consumers are protected and treated fairly. Reversing guidance to lenders at a time of heightened regulatory scrutiny could delay lenders' efforts to comply with the Act.

Looking back on the great financial crisis of 2008, legislation enacted to bail out financial institutions and to aid General Motors and Chrysler through bankruptcy was not beneficial for minority dealers. Minority-owned dealers were disproportionately affected with a 40% (400 dealers) decline in its dealer body in comparison to non-minority dealers, who suffered only a 6% decline. Today, out of the 18,000 new automobile dealerships, only 1,100 are minority owned.

NAMAD finds that, to date, the recent consent orders between the CFPB, DOJ and financial institutions and captive finance companies to settle discrimination claims have not resulted in any negative outcomes or loss of revenue for minority dealers.

We are convinced that this matter should, and more importantly, can be resolved with a non-legislative fix. In particular, NAMAD believes that the *Fair Credit Compliance Policy & Program* it instituted in 2014 along with NADA and AIADA achieves this goal, as the program is designed to prevent any discriminatory practices for all consumers.

We do not support H.R. 1737, as the solution to discrimination in auto lending, but rather urge you and your colleagues to assist us in coming up with and implementing a non-legislative answer.

Sincerely,

A handwritten signature in dark ink, appearing to read "D-L-2", is written above the printed name of the signatory.

Damon Lester  
President