

Oppose H.R. 1737: the Reforming CFPB Indirect Auto Financing Guidance Act

H.R. 1737 is [opposed](#) by the [National Association of Minority Auto Dealers](#), [Center for Responsible Lending](#), NAACP, Consumers Union, Consumer Action, National Council of La Raza, Americans for Financial Reform, American Association for Justice (AAJ), Color of Change, Leadership Conference on Civil and Human Rights, National Consumer Law Center, National Urban League, U.S. PIRG, the Woodstock Institute and more.

Dear Colleague:

We urge you to oppose H.R. 1737, the so-called “Reforming CFPB Indirect Auto Financing Guidance Act.” This legislation would prevent the Consumer Financial Protection Bureau (CFPB) from [enforcing laws](#) against discrimination in auto lending. This bill nullifies CFPB’s [guidance](#) to lenders on how to avoid [practices](#) that may lead to discriminatory pricing.

Automobiles are the most common financial assets owned by American households, and are a prerequisite for many jobs. When people buy cars with dealer financing, they can be charged an interest rate mark up. This mark up can be set by the individual car dealer. Such variable pricing can lead to discrimination. Even though current U.S law prohibits lending discrimination based on unrelated background traits, African Americans, Latinos and others could be charged a higher interest rate, regardless of credit scores or income.

In recent years, the CFPB and the Department of Justice took [actions](#) resulting in more than \$140 million in [fines](#) and restitution to people who paid higher interest rates for auto loans based not on their credit risk but on their ethnicity.

There is no reason why the CFPB should not be able to continue to enforce these rules for indirect auto lenders. When people are overcharged, they have less money to spend and invest which slows our economy. We urge members to support, not weaken, the CFPB’s effort to fight discrimination in auto lending. Oppose H.R. 1737.

Sincerely,

Keith Ellison
Co-Chair
Congressional Progressive Caucus

Raúl Grijalva
Co-Chair
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