

ATTACHMENT 1A

Background for Employee Comments

In Washington, DC, the Federal Trade Commission (FTC) has issued a proposed rule targeted at franchised dealers.

- If finalized the proposed rule would **drastically alter** the way franchised dealers advertise, sell, and finance every new or used vehicle.
- The new requirements would massively constrain a dealer's ability to **communicate** effectively with customers at virtually **every** step of the sales process.
- The rule would force **wholesale changes** to **routine** customer interactions, advertising decisions, website posts, and **every** mention of monthly payments or voluntary protection products, **and more** – in addition to wholesale changes to the sales and financing **operations** themselves.
- **These new, redundant disclosures will confuse and frustrate customers:**
 - Complicated, additional disclosure forms must provide new “cash price” calculations – which contain values for offering price, vehicle trade-in, available rebates, available discounts, finance charges and down payment. *Customers must sign forms for every potential financed transaction.*
 - Up to three new written disclosures must be provided to a customer before selling voluntary products such as service contracts, GAP Waiver, and prepaid maintenance, as well as anything added to the vehicle by someone other than the manufacturer, even floor mats.
 - The new rule could effectively eliminate meaningful discussions about monthly payments, which are essential for customers to assess affordability.
 - Suppose a customer asks if there is a specific color or trim in inventory. Any dealership employee's first response must include an offering price available to the customer if the vehicle is in inventory. The same initial response will be required for every other vehicle discussed. That's before any assessment of the customer's needs.

THE FTC HAS REQUESTED COMMENTS FROM THE PUBLIC

Industry opponents are trying to demonize all dealerships, so we need your input to help provide a more balanced, realistic view. As a dealership employee, you understand how important a satisfied, repeat customer is to a successful dealership, and to your community.

- Do you think customers would benefit from more paperwork? Would it save or add transaction time? Would it help or hurt customer satisfaction?
- Could you explain how the dealership focuses on the customer experience and increasing consumer satisfaction?
- How would customers view and understand all these new, redundant forms? Would the new requirements increase consumer confidence?
- We need to show the FTC that we are meeting the needs of our customers in a responsible manner and warn the FTC that the new rules would create consumer backlash.

(Back/Page 2)

HOW TO SUBMIT A COMMENT

You can answer the FTC's request for comments electronically or by mail.

Send your electronic comments to the FTC at:

www.regulations.gov/commenton/FTC-2022-0046-0001

OR

By using this QR code:



Send handwritten letters by mail to:

Federal Trade Commission Office of the Secretary
Motor Vehicle Dealers Trade Regulation Rule—Rulemaking, No. P204800
600 Pennsylvania Avenue NW
Suite CC-5610 (Annex C)
Washington, DC 20580

If possible, please retain copies of submissions at the dealership for later use with congressional grassroots campaigns.