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# PRESS RELEASE

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## **Attorney General Frosh Urges FTC to Strengthen Car Rules to Prevent Consumer Harm, Misrepresentations** *Automobile Issues Regularly Top Consumer Complaints for Many Attorneys Generals' Offices*

**BALTIMORE, MD (September 13, 2022)** – Maryland Attorney General Brian E. Frosh joined a coalition of 18 attorneys general calling on the Federal Trade Commission to adopt and strengthen guidance on automobile sales.

The [comment letter](#), led by Maryland, Illinois, Iowa, Massachusetts, and Pennsylvania, expresses approval of the FTC's proposed updates to the Motor Vehicle Dealers Trade Regulation Rule related to the sale, financing, and leasing of motor vehicles by motor vehicle dealers. The proposed rule, published in the Federal Register on July 13, would provide a critical tool to address misrepresentations in sales, leasing and financing transactions, and increase pricing transparency in advertising.

“It's not news to anyone that unscrupulous car dealers prey on uninformed consumers,” said Attorney General Frosh. “The FTC's proposed rule will provide consumers the information they need to make wise purchasing decisions.”

Attorneys general frequently hear from consumers with complaints about vehicle sales. Complaints regarding automobiles, new and used, historically have been one of the top ten consumer complaints received by our office. In 2021, the Maryland Attorney General's Consumer Protection Division received 868 auto-related complaints.

The FTC's proposed rule is a necessary step in combatting unfair and deceptive acts in the vehicle marketplace. It aligns with existing guidance from industry trade groups, as well as state laws and regulations.

The proposed rule would:

- Prohibit motor vehicle dealers from making certain misrepresentations in the course of selling, leasing, or arranging financing for motor vehicles;
- Require accurate pricing disclosures in dealers' advertising and sales discussions;
- Require dealers to obtain consumers' express, informed consent for certain charges;

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- Require transparency about add-on products and their pricing;
- Prohibit the sale of any add-on product or service that confers no benefit to the consumer; and
- Require dealers to keep records of advertisements and customer transactions.

While the coalition believes these updates will enhance the ability to protect consumers from unfair and deceptive practices, it also offers the following suggestions to further strengthen the rule:

- Require price disclosures in writing regardless of the form of the inquiry;
- Require that price disclosures provide complete information on the cost to purchase or finance the sale or use of a vehicle;
- Require written disclosures and obtain written consumer consent before the purchase of any optional add-ons;
- Require auto dealers to retain records on all contracts for the duration of the contract;
- Set a time limit for dealers to pay off the lien on any traded-in vehicle to protect consumers and ensure a fair marketplace; and
- Regulate the use of starter-interrupt devices to encourage safety and transparency.

In their letter, the attorneys general thank the FTC for addressing a lack of transparency in the current Motor Vehicle Dealers Trade Regulation Rule. The coalition hopes the final rule will enhance protections for consumers and ensure a more competitive and equitable marketplace.

Attorney General Frosh was joined in signing the letter by the attorneys general of Iowa, Illinois, Massachusetts, Pennsylvania, California, Colorado, Connecticut, Delaware, the District of Columbia, Hawaii, Minnesota, New Jersey, New Mexico, New York, Oregon, Rhode Island, and Washington.

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