



ANTHONY G. BROWN, MARYLAND ATTORNEY GENERAL

# PRESS RELEASE

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## Attorney General Brown Congratulates Federal Trade Commission on Passage of CARS Rule

**BALTIMORE, MD (December 21, 2023)** – Maryland Attorney General Anthony G. Brown is applauding the Federal Trade Commission (FTC) for passing the new Combating Auto Retail Scams (CARS) Rule – which was supported by the Maryland Attorney General’s Office in conjunction with a coalition of 17 other Attorneys General. The Rule will go into effect on July 30, 2024.

In September 2022, the 18-state coalition, co-led by Maryland, [wrote](#) to the FTC in support of proposed new rules to fight illegal tactics targeted towards potential car buyers, including bait-and-switch sales schemes and hidden junk fees.

“Consumers deal with a lot of hidden and unexplained fees when buying a vehicle,” said **Attorney General Brown**. “Once the CARS Rule takes effect next year, buyers will no longer be in the dark and dealers will be obligated to be fully transparent about each and every charge.”

The CARS Rule prohibits dealers from misleading consumers through the use of inaccurate offers about the cost of cars or the terms of financing, the availability of discounts or rebates, and the actual availability of the vehicles being advertised. It also forbids certain hidden junk fees – charges that may be buried in the sales terms that offer little in return for consumers. More specifically, the CARS Rule puts into place the following protections for consumers when purchasing cars:

- **No Misrepresentations:** The Rule prohibits misrepresentations about key information, like price and cost.
- **Actual Price, Total Payment, and Optional Add-Ons:** When advertising a vehicle for sale, dealers must provide the actual price for which the car can be purchased, including only required government charges. Dealers must also tell consumers that optional add-ons (like extended warranties) are not required, and they must give information about the total payment when discussing monthly payments.
- **No Bogus Add-Ons:** The Rule prohibits dealers from charging for any add-ons that do not benefit consumers. Examples of such add-ons include warranty programs that duplicate a manufacturer’s warranty, charges for nitrogen-filled tires; service contracts for oil changes on an electric vehicle, guaranteed asset protection (GAP) agreements that do not actually cover the car or neighborhood in which it is housed, and software or audio subscription services on a vehicle that cannot support the software or subscription.

- **Obtain Consumers' Consent:** The Rule requires dealers to get consumers' express, informed consent for any charges that they pay as part of vehicles purchased.

For more information, consumers may call the Consumer Protection Division hotline at 410-528-8662 or 888-743-0023.

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<https://www.marylandattorneygeneral.gov/press/2023/122123.pdf>