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Attorney General Brown Supports FTC Effort to Protect Car Buyers

The CARS Rule Would Protect Consumers During New Vehicle Sales, Financing, and Leasing

BALTIMORE, MD (May 24, 2024) – Attorney General Anthony G. Brown has joined a multistate coalition of 19 attorneys general in filing an [amicus brief](#) in *National Automobile Dealers Association et al. v. FTC*, supporting the Federal Trade Commission’s (FTC) defense of its new Combating Auto Retail Scams (CARS) Trade Regulation Rule. The rule addresses several persistent unfair and deceptive practices in the auto sales industry. In the brief, filed in the Fifth Circuit Court of Appeals, the coalition argues the new FTC rule is a necessary step to protect consumers, as existing law has proven insufficient to stamp out widespread dealer misconduct.

“Consumers must be protected from dishonest auto dealers looking to cheat them into paying for unwanted, unnecessary, and worthless add-ons and services,” **said Attorney General Brown**. “Purchasing a vehicle can be a long, complicated, and frustrating process. I support the FTC’s efforts to promote fairness, truth, and transparency for those seeking to buy new or used vehicles. No more delays—these consumer safeguards must be put in place now.”

The CARS Rule prohibits bait-and-switch tactics, in which dealerships lure customers based on deceptive promises, only to reveal the truth late in the transaction. Consumers have already invested substantial time and effort in the process by this time and are likely to feel worn down or pressured to finalize the deal. The CARS Rule also prohibits deceptive practices relating to hidden or misrepresented charges, particularly for vehicle add-ons. Dealerships often sell these products to consumers through deceptive means, including concealing the added costs or misrepresenting them as being required or otherwise necessary.

States have a long history of protecting consumers in the automotive sales industry through investigations, settlements, and enforcement. In the brief, the coalition argues that the CARS Rule addresses the noncompliance state attorneys general see in their enforcement role by prohibiting dealers from making misrepresentations and charging for add-ons that provide no consumer benefits, and by strengthening disclosure and record-keeping requirements. The

coalition asserts that the CARS Rule helps states in their ongoing efforts to uncover and stop unfair and deceptive practices in automotive sales.

In filing the brief, Attorney General Brown joins the attorneys general of California, Arizona, Colorado, Connecticut, Delaware, the District of Columbia, Illinois, Maine, Massachusetts, Minnesota, Nevada, New Jersey, New Mexico, New York, Oregon, Pennsylvania, Rhode Island, and Washington.

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