

Banking and Finance Law Daily Wrap Up, CONSUMER FINANCIAL PROTECTION BUREAU—House to vote on repeal of CFPB auto guidance, (May 7, 2018)

Banking and Finance Law Daily Wrap Up

[Click to open document in a browser](#)

By [Katalina M. Bianco, J.D.](#)

The House of Representatives is set to follow the Senate's lead and vote on a Congressional Review Act (CRA) resolution to repeal auto lending guidance issued by the Consumer Financial Protection Bureau in 2013. The vote is scheduled for the week of May 14, 2018. The Senate voted to rescind the guidance in April (see [Banking and Finance Law Daily](#), April 18, 2018). The resolution, [H.J. Res 132](#), was sponsored by Rep. Lee Zeldin (R-NY).

[According to Zeldin](#), the Bureau's guidance is "an attempt to shut down the indirect auto lending market" by using "questionable 'disparate impact' statistics" that falsely accuses auto dealerships and their related financial institutions of discrimination.

"By cutting off the ability of auto lenders to provide discounted auto loans to their customers, the CFPB harms so many low- and lower middle-income borrowers who are seeking auto loans, the same people they are claiming to protect," the legislator said. He contended that people with poor credit are unable to obtain an auto loan because the Bureau is "tying the hands of local auto dealers" and leaving them unable to tailor loans to their customers' needs.

National Automobile Dealers Association President and CEO Peter Welch thanked Zeldin for sponsoring the measure and added, "This is a narrowly tailored resolution that in no way modifies or affects the enforcement of any fair credit laws or regulations. But it does take the important step of ensuring that consumer discounts in auto lending are safeguarded for every consumer."

Companies: National Automobile Dealers Association

LegislativeActivity: CFPB ConsumerCredit EqualCreditOpportunity Loans