



Partner Jean Noonan comments for Auto Finance News on diversity, equity and inclusion in auto finance

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Auto Finance News recently spoke to professionals in the banking and auto finance industry about diversity, equity and inclusion in the auto lending space. Hudson Cook Partner [Jean Noonan](#), a former executive with the Federal Trade Commission and current member of the Consumer Financial Protection Bureau's Taskforce on Federal Consumer Financial Law, explained that states' interest rate caps limit lenders' ability to serve underrepresented communities and thin or no-file (those lacking enough credit history to secure a loan) borrowers.

"The irony is, if I'm a [consumer] in a state with a rate cap of 18%, and it's only financially feasible to lend to me at a higher rate, then I'm not going to get credit," Jean said. "And it's exactly the usury rate law that we thought was protecting the consumer that keeps them out of the market."

However, Jean indicated that lenders can still set up special-purpose credit programs for these borrowers. "Special purpose credit programs allow [lenders] to lower their standards of debt, or lower their prices of debt, to increase their diversity. This is permissible under the Equal Credit Opportunity Act and Regulation B," she explained.

Jean advises clients on consumer financial services, fair lending, marketing, financial privacy, and consumer protection matters. She counsels financial institutions and others in complying with laws related to consumer credit, privacy, telemarketing, and unfair trade practices. Jean represents clients in government investigations, examinations, and enforcement actions before federal agencies, including the Consumer Financial Protection Bureau, Federal Trade Commission, and federal prudential regulators, and in other ancillary matters.

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