



Partner Jean Noonan comments for Automotive News on CFPB Taskforce auto lending recommendations

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On January 5, the Consumer Financial Protection Bureau's (CFPB) Taskforce on Federal Consumer Financial Law released its report with approximately 100 recommendations to the CFPB, Congress, and state and federal regulators on how to improve consumer protection in the financial marketplace. *Automotive News* examined the Taskforce's recommendations on addressing auto loan discrimination concerns and on dealership responsibility in issuing adverse action notices.

To address auto loan pricing discrimination concerns, the Taskforce advocated federal endorsement of industry-backed Fair Credit Compliance Programs. The report said that "if the Bureau acknowledged that compliance with the program would be one way of demonstrating compliance" with the Equal Credit Opportunity Act, more dealerships would likely sign on. Hudson Cook Partner [Jean Noonan](#), a member of the Taskforce, told *Automotive News*, "If I could choose one recommendation that the bureau and the [Federal Reserve Board] would adopt, certainly for auto, that would be my top one."

Regarding adverse action notices, *Automotive News* reported that the Taskforce asserted the responsibility to inform consumers of the reasons they were rejected for an auto loan or lease should fall solely with the entity that rejected the consumer's credit application — the auto finance company or bank – and not the dealership. Most lenders send adverse action notices automatically, not knowing if another lender approved the customer or not, said Jean. She noted that because dealerships aren't privy to the underwriting practices of the lenders they work with, this requirement is unfair.

Jean is a partner in Hudson Cook's Washington, DC office. She 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.

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