



December 23, 2015

Karla Nuissl
Assistant General Counsel
Vermont Department of Financial Regulation
89 Main Street
Montpelier, VT 05620

Re: Proposed Amendment to Vermont's Negative Equity Disclosure Form

Dear Ms. Nuissl:

On behalf of the American Financial Services Association (“AFSA”),¹ thank you for the opportunity to comment on the Department of Financial Regulation’s (DFR) draft proposed rule amending the disclosure form for negative equity in motor vehicle retail installment transactions.

We appreciate DFR taking steps to clarify the meaning and calculation of “Cash Price.” With regard to that calculation, AFSA requests additional clarification on the disclosure of rebates. Banking Bulletin #28 required that rebates be deducted from the cash price on the disclosure form; however, the proposed revisions do not specifically indicate whether rebates must be deducted from the cash price, so we believe additional clarification on the issue is necessary.

Section 1(B) of the proposed rules states: “This regulation shall apply to all motor vehicle retail installment transactions.” The policy concerns surrounding financing negative equity on vehicle trade-ins have traditionally been limited to the purchase of non-commercial vehicles designed for use on public highways. Accordingly, AFSA proposes Section 1(B) be changed to the following (proposed addition in italics): “This regulation shall apply to all motor vehicle retail installment transactions *that relate to a vehicle designed for use on public highways.*”

Section 8 of the proposed rules requires that the retail installment contract include an itemized list of Optional Items included in the Cash Price, and this proposal would likely require creditors to make changes to existing contracts in use to include additional lines for such an itemized list. If this proposal is adopted, AFSA requests that the rules include additional time for affected to industry members to implement the required changes.

Thank you in advance for your consideration. We appreciate the opportunity to work with the DFR throughout the rulemaking process. If you have any questions or would like to discuss this further, please do not hesitate to contact me at 952-922-6500 or dfagre@afsamail.org.

¹ Founded in 1916, the American Financial Services Association (AFSA), based in Washington, D.C., is the primary trade association for the consumer credit industry, protecting access to credit and consumer choice. AFSA members provide consumers with many kinds of credit, including direct and indirect vehicle financing, traditional installment loans, mortgages, payment cards, and retail sales finance. AFSA members do not provide payday or vehicle title loans.

Sincerely,

A handwritten signature in black ink, appearing to read 'Danielle Fagre Arlowe', written in a cursive style.

Danielle Fagre Arlowe
Senior Vice President, State Government Affairs
American Financial Services Association
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