



March 28, 2016

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

Re: Version 2 of the 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) second version of the draft proposed rule amending the disclosure form for negative equity in motor vehicle retail installment transactions. We appreciate the Department’s consideration of our previous comments regarding the draft proposed amendment and the revisions made to the proposal to address our concerns and provide further clarity.

AFSA requests additional clarity on the inclusion of documentation fees in the “vehicle price.” Section 3.1 notes that documentation fees must be included in the cash price; however, the proposed rules do not address whether such fees are also included in the “vehicle price” or if they must be subtracted along with other fees, taxes, and optional items. Accordingly, we believe clarity from DFR on the issue is necessary.

Additionally, AFSA requests more information regarding the “Other” category on the list of optional items to be deducted from cash price on the disclosure form. The category is included on the disclosure form, but the proposed rule provides no information regarding what other costs or items DFR believes would fall into this category beyond the listed categories of service contracts, purchase and use taxes, and fees. If there are specific categories of items DFR believes must be deducted from the cash price—but do not fall into the aforementioned categories—further guidance is needed.

We also reiterate our previous request that, if the proposed rule is adopted, the rules include additional time for affected industry members to implement the required changes to existing retail installment contracts, specifically the requirement to include a conspicuous itemized list of Optional Items included in the Cash Price.

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.

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.

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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