



## **Consumers for Auto Reliability and Safety**

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### **Consumer Group Files California “Car Buyers Protection Act” Initiative Statewide polling shows overwhelming support among likely voters 88% favor safety recall provision**

Consumers for Auto Reliability and Safety filed a new initiative today with the California Attorney General's office, aimed to appear on the November, 2014 ballot. The Car Buyers Protection Act will help reduce the risks involved in buying a car from a car dealer, improve the safety of used cars, create new jobs for skilled auto mechanics, and also make newer, safer, more fuel-efficient vehicles more affordable.

Statewide polling shows that likely voters overwhelmingly support improving protections for new and used car buyers. Polling results are posted here:

[http://carconsumers.org/pdf/CA\\_CBPA\\_statewidepolling\\_10-2013.pdf](http://carconsumers.org/pdf/CA_CBPA_statewidepolling_10-2013.pdf)

The Car Buyers Protection Act will:

- Make it illegal for car dealers to sell, rent, lease, or loan used vehicles that are under a federal safety recall, unless the safety recall repairs have been performed
- Improve protections for car buyers who are victims of ID theft at auto dealerships
- Prohibit dealers from hiring people convicted of ID theft, forgery, or other fraud, for positions where they would have access to car buyers' personal financial information
- Prohibit dealers from engaging in "bait and switch" financing (also known as yo-yo financing)
- Prohibit dealer markups – hidden extra charges that raise the cost of financing car purchases and cost California car buyers over \$2.6 billion in a single year
- Require all dealers to provide at least a 30 day / 1,000 mile warranty (currently, only "buy here pay here" dealers are required to provide minimum warranties, so many other dealers continue to sell faulty vehicles "AS IS")
- Eliminate the New Motor Vehicle Board's authority to overrule the DMV when the agency disciplines an auto dealer or manufacturer for violating consumer protection laws

"This initiative polls right up there with sex and chocolate," said Rosemary Shahan, President of Consumers for Auto Reliability and Safety. "And that's before voters fully realize the ways dealers are jeopardizing their safety and harming their economic well-being."

"Car dealers should stop playing 'recalled used car roulette' with their customers' lives, and stop opposing federal and state legislation to close safety loopholes," said California State Senator Hannah-beth Jackson (D-Santa Barbara), author of SB 686, legislation to prohibit dealers from selling, renting, leasing, or loaning unsafe, recalled used vehicles to consumers. SB 686 is stalled in the Assembly Business and Professions Committee, due to dealer opposition. "If the dealers truly cared about the safety of rental car customers, they would stop opposing the federal Raechel and Jacqueline Houck Rental Car Safety Act, and stop seeking a special exemption for dealers who own rental car companies on the side."

"The car dealers are lobbying in Washington, DC to get a special exemption so they can keep renting unsafe, recalled vehicles to the public," said Cally Houck of Ojai, CA, mother of Raechel and Jacqueline Houck, ages 24 and 20, who were killed by an Enterprise rental car that had been recalled by Chrysler, but had not been repaired. The federal rental car safety act, S 921, bears the names of Raechel and Jacqueline. "The rest of the rental car industry is now on our side, but the dealers are keeping us from getting the law passed."

The initiative has already garnered important support from the leading union that represents the automotive technicians who perform safety recall and warranty repairs at new car dealerships around the nation.

"We're proud to support passage of the California Car Buyers Protection Act. Passage of this initiative will mean more good-paying jobs for skilled automotive technicians, performing safety recall repairs on millions of used vehicles that are so unsafe, the manufacturer has issued a federal safety recall. It will also mean more jobs making repairs to vehicles that are under warranty, before they are sold to used car buyers," said Boysen Anderson, Automotive Coordinator for the International Association of Machinists and Aerospace Workers.

Beth Givens, Director of the Privacy Rights Clearinghouse, based in San Diego, said that "Identity theft at auto dealerships is a very real problem. Car buyers should not have to worry that the dealer has hired people convicted of identity theft, forgery, or fraud for positions where they will have access to car buyers' personal financial information. Car buyers who are victims of ID theft should also be able to get relief from dealers who fail to exercise reasonable care to protect them from thieves."

According to the US Government Accountability Office, in a report mandated by Congress:

*"NHTSA [the National Highway Traffic Safety Administration] cannot require used-car dealers, or franchised dealerships that sell used vehicles, to... get the defect remedied prior to sale... With over 35 million used cars sold by used and franchised dealerships in the United States in 2009 alone, this could pose a significant risk to the safety of millions of vehicle drivers and may have a negative impact on recall completion rates."<sup>1</sup>*

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<sup>1</sup> GAO Report, page 40 (emphasis added).