

Analysis of Proposed Consent Order to Aid Public Comment
In the Matter of Progressive Chevrolet Company and Progressive Motors, Inc.
File No. 142 3133

down payment, amount down, acquisition fee, capitalized cost reduction, any other amount required to be paid at lease inception, and the amounts of all monthly or other periodic payments.

Part I.C. provides that the respondents shall not misrepresent any other material fact about the price, sale, financing, or leasing of any automobile.

Part II of the order addresses the CLA and Regulation M allegations by prohibiting lease advertisements that:

A. State the amount of any payment or that any or no initial payment is required at lease inception, without disclosing clearly and conspicuously the following terms:

- that the transaction advertised is a lease;
- the total amount due prior to or at consummation or by delivery, if delivery occurs after consummation;
- the number, amounts, and timing of scheduled payments;
- whether or not a security deposit is required; and
- that an extra charge may be imposed at the end of the lease term where the consumer's liability (if any) is based on the difference between the residual value of the leased property and its realized value at the end of the lease term.

B. Fail to comply in any respect with Regulation M, 12 C.F.R. Part 213, as amended, and the Consumer Leasing Act, 15 U.S.C. §§ 1667-1667f, as amended.

Part III requires respondents to keep copies of relevant advertisements and materials containing representations.

Part IV requires that respondents provide copies of the order to certain of their personnel.

Part V requires notification to the Commission regarding changes in corporate structure that might affect compliance obligations under the order. Part VI requires the respondents to file compliance reports with the Commission. Finally, Part VII is a provision "sunsetting" the order after twenty (20) years, with certain exceptions.

The purpose of this analysis is to aid public comment on the proposed order. It is not intended to constitute an official interpretation of the complaint or proposed order, or to modify in any way the proposed order's terms.