

---

---

---

---

---

---

---

---

Illinois—Napleton routinely charged consumers for add-on products and services such as service contracts, GAP insurance, or paint protection.<sup>4</sup> These charges ranged from a hundred dollars to well over a thousand, substantially increasing the cost of a car. The FTC’s complaint states that in many instances, Napleton tacked on these add-on charges either without consumer consent or after misrepresenting to consumers that the charges were mandatory.<sup>5</sup>

The complaint charges that these practices disproportionately impacted Black consumers. According to the complaint, Napleton charged Black consumers more often for add-ons, and Black consumers paid approximately \$99 more on average than non-Latino White borrowers for similar add-ons.<sup>6</sup> The complaint also alleges that Black consumers faced disproportionately higher interest rate markups when shopping at Napleton. As set forth in the complaint, Napleton allowed its employees to mark up interest rates and tack on charges for add-on products at their discretion, resulting in Black consumers paying more than similarly situated non-Latino White consumers. As discussed in the complaint, Napleton charged Black borrowers, on average, \$190 more in interest.

### ***Relief for Consumers and Prevention of Future Misconduct***

FTC staff secured a comprehensive resolution to address Napleton’s alleged law violations, remediate injured consumers, and prevent future misconduct. The proposed order directs Napleton to pay a \$10 million judgment, the highest sum the FTC has ever obtained against an auto dealer. Notably, the vast majority of the \$10 million will be returned to Napleton customers. The order also requires Napleton to take affirmative steps to change its practices, including: instituting a fair lending program; hiring a fair lending officer; training employees on fair lending; requiring non-discriminatory reasons for charging fees and interest rate markups; disciplining employees who engage in discriminatory conduct or violate the fair lending program; and reporting fair lending complaints to the Commission.<sup>7</sup>

### ***Strengthening ECOA Enforcement***

Today’s action makes use of several important FTC regulatory tools with bipartisan support. One of these tools, the Equal Credit Opportunity Act (ECOA), prohibits a creditor from discriminating against an applicant with respect to any aspect of a credit transaction on the basis of race, color, religion, national origin, sex, marital status, age, or source of income.<sup>8</sup> The FTC’s complaint states that Napleton’s imposing higher costs on Black applicants constitutes discrimination in violation of ECOA. We are committed to aggressively pursuing ECOA violations within our jurisdiction.

---

costing them money and likely exacerbating racial wealth inequalities. We do not believe that any potential price reduction is worth the risk of raising rates on the 2023 TDT\* population, especially if it is not

---