

**Maine Equal Justice
Consumer Federation of America
Consumer Reports
National Consumers League
National Association of Consumer Advocates
Consumers for Auto Reliability and Safety
National Consumer Law Center, on Behalf of Its Low-Income Clients**

To: Honorable Members of the House and Senate, Maine State Legislature

Re: **S.P. 843, L.D. 2056**, “An Act to Provide Additional Financing Options to Consumers in the State”

Position: OPPOSE

Helping Maine residents get cars they can afford is a worthy goal. Unfortunately, even as proposed to be amended by the Senate committee on Health Coverage, Insurance, and Financial Services, this bill would still WEAKEN consumer protections for Maine car buyers and put many of them into vehicles they cannot afford. It would:

- Grant a new, unprecedented carve-out from Maine’s decades-old consumer lending statute, which requires all payments to be “substantially equal” for the entire life of a loan
- Allow auto lenders to drastically increase the monthly payments on auto loans up to 36% more than the original payments
- Trap unsuspecting car buyers in negative equity, digging them deeper into a cycle of debt at precisely the time the typical Ford warranty expires and they may face expensive repairs
- Compel car buyers who are unable to afford the higher payments to trade in their vehicles at a substantial loss, after making 36 months of payments, rolling over more negative equity into their next purchase, which will likely be even more unaffordable
- Benefit car dealers, auto manufacturers and auto lenders at the expense of car buyers

In order to make buying a new car more affordable for Maine consumers, as a more pro-consumer alternative, we suggest that Ford consider taking steps such as:

- Ceasing to “bundle” popular safety features with high-cost, high-profit luxury items such as leather seats and fancy wheels
- Producing more vehicles that are designed to fit the budgets of first-time car buyers and families that are struggling to make ends meet
- Reducing “destination charges,” which according to Ford currently [range from \\$1,495 to \\$2,795](#)

We strongly urge to you **vote NO on S.P. 843, L.D. 2056**. Thank you for your consideration of our views.