



THE MARYLAND HOUSE OF DELEGATES  
ANNAPOLIS, MARYLAND 21401

**TESTIMONY OF DELEGATE PAM QUEEN**  
**HB 655 – Consumer Protection - Automobile Financing Charges - Required**  
**Dealer Disclosures**  
**SUPPORT**

Greetings Chair Dereck Davis, Vice-Chair Kathleen Dumais, and members of the Economic Matters Committee:

This is a transparency bill for consumers receiving *indirect* financing auto loans. The bill requires dealers to disclosure all the financing options available to consumers, the incentives that a dealer may receive from a certain financing entity, and any interest rate mark-ups that the dealer has added (i.e., contract APR higher than the buy rate).

Consumers with weaker credit scores are more likely to be subjected to dealer mark-ups because they have fewer alternative financing options. Greater transparency will enable consumers to make informed decisions about the best financing option for them and to avoid long periods of indebtedness and potential delinquency causing auto repossession.

This bill does not ban the practice of dealer mark-ups, but outlines reasonable caps based on the loan duration. Since about 80% of auto loans are via indirect financing, this bill will limit the practice of exploiting certain classes of consumers.

I seek a favorable recommendation for this important consumer protection legislation.