

February 17, 2022

The Honorable C.T. Wilson, Chair  
House Economic Matters Committee  
Room 231  
House Office Building  
Annapolis, MD 21401

**RE: HB587 Motor Vehicle Financial Protection Product Agreement Act – Letter of Information**

Dear Chair Wilson and the Members of the House Economic Matters Committee:

On behalf of the members of the Mid-Atlantic Financial Services Association, we offer following commentary on HB 587. The MFA is the primary trade association representing non-bank lenders and their interests. For the most part, we think this is a reasonable proposal. We have three suggestions to improve it.

First, **§ 33-102** requires itemization of GAP / debt waiver agreements. We request an exception to this itemization requirement if a waiver is automatically included as a feature of the financing agreement. (*i.e.*, when it is not a product that is actually sold by the dealer to amend the finance contract). Many captive auto finance companies include GAP waivers automatically in automobile leases, so no GAP can be sold on a lease. The current section 33-102 would seem to require even those waivers to be itemized, which doesn't make sense to us, as this product is provided at no additional charge to the customer.

Second, it is unclear from the language in **§ 33-103(B) & (D)** if it gives the consumer the right to request cancellation to any of the creditor, provider, or GAP administrator, or if it allows the contract to designate one or more of those parties to whom the consumer must send the cancellation request. We prefer the contract be permitted to designate to whom the consumer must send the cancellation request, because it allows for more consistency and better customer service if one method of cancellation is chosen and clearly set forth in the contract.

Finally, **§ 33-103(D)** should clearly state that refund obligations are not triggered until the request is made for a refund. This would prevent confusion as to what triggers the obligation.

We thank you sincerely for the opportunity to comment.

Sincerely,



Chris DiPietro  
Executive Director

CC: Danielle Fagre – SVP, American Financial Services Association  
D. Robert Enten – Council, Maryland Bankers Association

