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March 19, 2015

Assemblymember Mike Gatto
Chair, Assembly Privacy and Consumer Protection Committee
State Capitol, Room 3152
Sacramento, CA 95814

**RE: Assembly Bill 265 (Holden) – Support
Assembly Privacy and Consumer Protection Committee - April 7, 2015**

Dear Assemblymember Gatto:

The Consumer Federation of California (CFC) writes in support of Assembly Bill 265, which adds important protections for consumers buy-here-pay-here car dealerships' use of starter interrupt technology.

Buy-here-pay-here car dealers both sell cars and extend in-house credit for customers to finance their purchase. Buy-here-pay-here dealers sell to customers with less-than-perfect-credit, but charge interest rates that often exceed 30% on used vehicles. Dealers frequently use starter-interrupt technology, which can remotely render a vehicle inoperable, to repossess vehicles for failure to tender timely loan payments

AB 265 provides an important layer of protection for consumers in requiring buy-here-pay-here dealers to send a 30 day written notice (which must include the full loan amount currently due, disclose all acceptable forms of payment, and inform customers that repaying the loan in full will prevent the automobile from being disabled) before a starter interrupt device can be used by a dealership to disable a vehicle. This is in addition to the 48 hour notice already required by law.

This 30 day notice period will bring the buy-here-pay-here in line with more traditional standards of loan delinquency.

CFC is pleased to see that AB 265 has been recently amended to clarify the bill and to include language requirements for any notices to customers to reflect California's diverse population. Customers will also have a choice as to the form of those notices, be it by phone, email, or otherwise.

If you or your staff have any questions, please contact Aaron Lewis, CFC Legislative Advocate, at (916) 498-9616.

We urge your "Aye" vote on AB 265.

Sincerely,

Richard Holober
Executive Director

cc: Members, Assembly Privacy and Consumer Protection Committee
Assemblymember Chris Holden