



Get ready for more regulatory change in 2011

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On Monday, I wrote about the regulatory changes dealers must comply with beginning this week. Getting ready for enforcement of the Red Flags Rule and the start of the risk-based pricing rule and model privacy notice made for a busy end of 2010 for dealers.

But the adjustments aren't over. 2011 could prove just as active on regulatory measures, says Paul Metrey, chief regulatory counsel for financial services, privacy and tax for the National Automobile Dealers Association.

Metrey told me that the financial reform law signed by President Obama last July will bring about changes. For instance, adverse action notices will need to have new disclosures in them that include customer credit score information.

NADA also will be working with the Federal Reserve Board in the next months to figure out how dealers must go about complying with a new small business reporting requirement. It will come into play when a dealership gets a credit application from a small business or woman- or minority-owned business.

Metrey also is watching a proposal that would require new disclosures for the sale of products such as credit life and disability. It's not final, and NADA is opposing the move "because we believe the disclosures are slanted against those types of products," Metrey told me.