Dear Illinois Consumer:

If you, like many people, buy a new or used vehicle and decide to finance your purchase through the dealership, you may end up paying far more than necessary for the loan – sometimes thousands of dollars more!

Even though your credit history may qualify you for a lower interest rate from a lender, dealers often mark up interest rates and pocket most of the profits. Buyers are never told that the lender actually approved financing at a lower rate.

This practice affects 1 out of 4 buyers who arrange their financing through the dealership. And while these markups can happen to anyone, they disproportionately affect minorities and women.

Please read this brochure to protect yourself from becoming a victim of unfair and discriminatory financing practices the next time you purchase a vehicle.

Sincerely,

Lisa Madigan
Illinois Attorney General

WHAT IS THE PROBLEM?

For many consumers, the dealer then adds a significant markup to the Buy Rate originally offered by the lender. The dealer typically receives 70 to 75 percent of the markup as a kick back from the lender. When this happens, the car buyer is led to believe that he or she is getting the best rate, based solely on credit history. But what's really happening is that the buyer is paying a higher interest rate arbitrarily decided by the dealership, instead of the rate offered by the lender.

Because the law does not require that the Buy Rate or the hidden markup be disclosed to the car buyer, dealers never provide this information to the consumer.

CONSUMER FRAUD HOTLINES

Chicago
100 West Randolph Street
Chicago, IL 60601
1-800-386-5438
TTY: 1-800-964-3013

Springfield
500 South Second Street
Springfield, IL 62706
1-800-243-0618
TTY: 1-877-844-5461

Carbondale
119 E. Main Street
Carbondale, IL 62901
1-800-243-0607
TTY: 1-877-675-9339

Senior Fraud Hotline
1-800-243-5377
TTY: 1-800-964-3013


Lisa Madigan
Illinois Attorney General
## Consumer Tips for Financing Your Vehicle Purchase

### Who Does This Happen To?
- Unfortunately, it happens to everyone.

### Federal Law Requires Mortgage Brokers to Disclose
- To Home Buyers how much they are being paid for arranging credit. For example, a recent study by the Consumer Federation of America points out that African Americans and Latinos are more likely to be assessed a dealer markup and the markups are, on average, higher than those faced by other consumers with similar credit histories.

### WHO DOES THIS HAPPEN TO?
- minorities and women have been disproportionately impacted by this practice. For example, a recent study by the Consumer Federation of America points out that African Americans and Latinos are more likely to be assessed a dealer markup and the markups are, on average, higher than those faced by other consumers with similar credit histories.

### Extra 4% to Consumer
- $27,790 is paid in interest charges.

### Consumer Tips for Financing Your Vehicle Purchase
- Buying A Home Vs. Buying A Vehicle
- Cars and houses are often the two biggest purchases consumers make that involve financing. Many people use a mortgage broker when they purchase a home, as opposed to going directly to a lender. Similarly, in auto transactions, the car dealership often arranges financing, just like a mortgage broker.

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