

BCFP Settles Allegations that Vehicle Financing Company Misrepresented GAP Product and Terms of Contract Extensions

November 20, 2018 |

On November 20, 2018, the Bureau of Consumer Financial Protection announced a settlement with Santander Consumer USA Inc. for allegedly engaging in deceptive acts and practices in connection with the marketing of its S-GUARD guaranteed asset protection product, in violation of the Consumer Financial Protection Act of 2010. The Bureau also alleged that Santander misrepresented to consumers who had missed at least one payment on their vehicle financing contracts the impact of receiving an extension of the maturity date of the consumer's contract, including by not clearly and prominently disclosing that the additional interest accrued during the extension period would be paid before any payments to principal when the consumer resumed making payments.

Under the terms of the consent order, Santander must, among other provisions, provide approximately \$9.29 million in restitution to certain consumers who purchased the S-GUARD add-on product, clearly and prominently disclose the terms of its contract extensions and the add-on product, and pay a \$2.5 million civil money penalty.

© 2018 CounselorLibrary.com, LLC. Republished with permission. All rights reserved.

CounselorLibrary.com, LLC, is an entity affiliated with the law firm of Hudson Cook, LLP. CounselorLibrary.com, LLC articles are written by attorneys with Hudson Cook, LLP, and by other authors, including employees of CounselorLibrary.com, LLC. The views and opinions contained in the articles do not constitute the views and opinions of Hudson Cook, LLP. CounselorLibrary(R) products and services are available directly through and from www.CounselorLibrary.com and are not legal advice.

Hudson Cook, LLP, provides articles, webinars and other content on its website from time to time provided both by attorneys with Hudson Cook, LLP, and by other outside authors, for information purposes only. Hudson Cook, LLP, does not warrant the accuracy or completeness of the content, and has no duty to correct or update information contained on its website. The views and opinions contained in the content provided on the Hudson Cook, LLP, website do not constitute the views and opinion of the firm. Such content does not constitute legal advice from such authors or from Hudson Cook, LLP. For legal advice on a matter, one should seek the advice of counsel.

SUBSCRIBE TO INSIGHTS



HUDSON COOK

Celebrating its 25th anniversary in 2022, Hudson Cook, LLP is a national law firm representing the financial services industry in compliance, privacy, litigation, regulatory and enforcement matters.

7037 Ridge Road, Suite 300, Hanover, Maryland 21076
410.684.3200

www.hudsoncook.com

© Hudson Cook, LLP. All rights reserved. Privacy Policy | Legal Notice
Attorney Advertising: Prior Results Do Not Guarantee a Similar Outcome

