

Changes to FTC Safeguards Rule could mean additional costs for dealers

December 6, 2021 |

According to *Automotive News*, the cost of complying with the FTC's expanded Safeguards Rule will ultimately depend on how well dealers have been adhering to requirements under the original rule that took effect in 2003 and whether they have prioritized cybersecurity best practices at their dealerships. Dealers must begin putting pressure on their technology vendors to ensure they can meet the data security requirements. The National Automobile Dealers Association said it is advising its franchised dealer members to make sure they're fully complying with the current requirements and that they also contact their technology vendors as soon as possible to ensure they can meet new obligations under the amended rule.

"The previous version of the rule and this version continue to have a requirement to oversee these service providers you have regarding safeguarding and making sure that they have a compliant safeguards program," said [Dailey Wilson](#), an associate in Hudson Cook's Tennessee office.

Dailey focuses her practice on federal and state regulatory compliance for alternative financial services providers, including consumer installment lenders, payday lenders, title lenders and rent-to-own providers. Dailey frequently assists alternative financial services providers with drafting consumer-facing documentation, ranging from applications to collections communications as well as internal policies and procedures. Dailey also routinely audits alternative financial service providers for compliance with state and federal law.

[Subscribers to *Automotive News* may click here to read the article.](#)

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

