

Partner Michael Benoit comments for Automotive News on FAIR bill

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As reported in *Automotive News*, the U.S. House has passed the Forced Arbitration Injustice Repeal Act (FAIR), which effectively outlaws arbitration provisions in private contracts. However, it faces an uphill battle in the Senate. *Automotive News* asked Hudson Cook Partner [Michael Benoit](#) for his opinion on the bill's chances of passage.

"Given the amount of polarization we have, I'm not surprised it passed the House, and I'd be very surprised if it even gets brought up for a vote in the Senate," said Michael. He added that mandatory arbitration has been polarized along party lines.

To Michael's point, the Consumer Financial Protection Bureau (CFPB) issued a rule in 2017 that would have prevented financial companies from using arbitration clauses in contracts, but it was removed through a joint resolution by President Trump and the then Republican-controlled Congress.

According to the article, many automotive dealers and lenders have arbitration clauses in financing and vehicle purchase contracts in order to avoid costly litigation. More than 20 trade groups have sent a letter to Congress opposing the FAIR Act.

Michael advises banks, sales finance companies, auto dealers, leasing companies, mortgage lenders, and other creditors and technology providers on a wide range of consumer financial services law, and provides federal legislative and regulatory advice and support to financial services trade associations. His practice includes consumer credit, electronic commerce, privacy, telemarketing, personal property financing and leasing, as well as creditor-based collection practices. He assists CFPB-regulated clients in preparing for supervisory exams, and represents clients in investigation and enforcement matters involving the FTC and the CFPB.

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

www.hudsoncook.com

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