

SENATE COMMERCE COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2635

STATE OF NEW JERSEY

DATED: DECEMBER 6, 2021

The Senate Commerce Committee reports favorably Assembly Bill No. 2635.

This bill makes it an unlawful practice under the consumer fraud act for a motor vehicle dealer to fail to provide a consumer with a copy of any loan application prepared in connection with the sale of a motor vehicle.

Under current law, a motor vehicle dealer is not specifically required to provide a consumer with a copy of the loan application prepared in connection with the sale of a motor vehicle. This bill clarifies that a motor vehicle dealership is required to provide a consumer with a copy of any loan application prepared in connection with the sale of a motor vehicle. It is the sponsor's view that not requiring the disclosure of loan applications prepared by motor vehicle dealers may allow for the submission of inaccurate financial information to lenders in order to permit a consumer to qualify for a motor vehicle loan for which he or she would otherwise be unqualified.

An unlawful practice under the consumer fraud act is punishable by a monetary penalty of not more than \$10,000 for a first offense and not more than \$20,000 for any subsequent offense. Additionally, violations may result in cease and desist orders issued by the Attorney General, the assessment of punitive damages, and the awarding of treble damages and costs to the injured party.

As reported, this bill is identical to Senate Bill No. 3843, as also reported by the committee.