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# US Authorities Order 97 Car Dealerships to Cease Hidden Fees

## Description

Car dealerships often add extra fees that confuse customers. The Federal Trade Commission (FTC) has warned 97 dealership chains to stop this practice. These fees include things like advertising costs and dealer preparation fees, which some consumers find unfair.

Christopher Mufarrige, director of the FTC's Bureau of Consumer Protection, said the agency wants to stop dealers from misleading customers with low prices while secretly adding on fees. He stated that the FTC will keep watching dealerships to ensure fair competition.

In its letters, the FTC listed six practices that dealerships must stop. These include advertising a price that does not include all required fees and offering discounts not available to all consumers. Other issues include making customers use dealer financing to get the advertised price and asking them to buy extra items not included in the price.

The FTC did not name any specific dealerships but sent a letter to all of them, stating that such practices harm both consumers and honest businesses. It is unclear what consequences dealerships will face if they do not follow these new rules. The FTC recently limited its previous regulations on unfair fees, leaving the current situation uncertain.

The National Automobile Dealers Association (NADA) responded to the FTC's warning, highlighting that most dealers operate fairly. NADA stated they will work with the FTC to address any problems in the market.

## Comprehension Questions

### Multiple Choice

1. What agency warned 97 dealership chains about extra fees?

Option: Federal Bureau of Investigation

Option: Federal Trade Commission

Option: National Automobile Dealers Association

Option: Consumer Financial Protection Bureau

2. Which director spoke about misleading customers regarding dealership fees?

Option: Andrew Smith

Option: Christopher Mufarrige



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Option: Michael Adams

Option: Janet Yellen

3. What type of fees did the FTC specifically mention in their warnings?

Option: Insurance fees

Option: Service fees

Option: Advertising costs

Option: Registration fees

4. How many practices did the FTC list that dealerships must stop?

Option: Four

Option: Five

Option: Six

Option: Seven

5. What organization responded to the FTC's warning?

Option: Car Dealers Association

Option: National Automobile Dealers Association

Option: Consumer Rights Group

Option: Automobile Manufacturers Association

6. What is unclear about the FTC's recent regulations?

Option: How to enforce them

Option: What dealerships will be affected

Option: What fees will be included

Option: What time frame is involved

### **True-False**

7. The FTC specifically named the dealerships in their warning letters.

8. The FTC aims to ensure fair competition in the automotive market.

9. Christopher Mufarrige is the director of the FTC's Bureau of Consumer Protection.

10. The National Automobile Dealers Association disagrees with the FTC's findings.

11. Consumers find all dealership fees completely fair.



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12. Dealerships are allowed to conceal fees in their advertised prices.

### Gap-Fill

13. The FTC warned \_\_\_\_\_ dealership chains to stop confusing practices.

14. One of the issues mentioned by the FTC is \_\_\_\_\_ fees.

15. The FTC will continue to monitor dealerships to ensure \_\_\_\_\_ competition.

16. The letter from the FTC stated that misleading practices harm both consumers and \_\_\_\_\_ businesses.

17. The current situation regarding unfair fees is left \_\_\_\_\_ due to limited regulations.

18. NADA stated they will work with the FTC to address any \_\_\_\_\_ in the market.

### Answer

**Multiple Choice:** 1. Federal Trade Commission 2. Christopher Mufarrige 3. Advertising costs 4. Six 5. National Automobile Dealers Association 6. How to enforce them

**True-False:** 7. False 8. True 9. True 10. False 11. False 12. False

**Gap-Fill:** 13. 97 14. dealer preparation 15. fair 16. honest 17. uncertain 18. problems

### CATEGORY

1. Business - LEVEL3

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