

UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF MICHIGAN

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UNITED STATES OF AMERICA,	)	
Plaintiff,	)	
v.	)	COMPLAINT FOR INJUNCTIVE
	)	AND OTHER RELIEF
	)	
FORD MOTOR CREDIT COMPANY,	)	Civil Action No.
a corporation,	)	
	)	
Defendant.	)	

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Plaintiff, the United States of America, acting upon notification and authorization to the Attorney General by the Federal Trade Commission ("Commission"), for its complaint alleges that:

1. Plaintiff brings this action under Sections 5(a)(1), 5(m)(1)(A), 9, 13(b), and 16(a) of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. §§ 45(a)(1), 45(m)(1)(A), 49, 53(b), and 56(a), as amended, and under the Equal Credit Opportunity Act ("ECOA"), 15 U.S.C. §§ 1691-1691(f), as amended, to obtain monetary relief and injunctive and other relief for defendant's violations of the ECOA and Federal Reserve Board Regulation B ("Regulation B"), 12 C.F.R. § 202, as amended.

JURISDICTION AND VENUE

2. This court has jurisdiction over this matter under 28 U.S.C. §§ 1331, 1337(a), 1345, and 1355, under 15 U.S.C.

§§ 45(m)(1)(A), 49, 53(b), and 56(a), and under 15 U.S.C. §§ 1691-1691f.

3. Venue in the Eastern District of Michigan is proper under 15 U.S.C. § 53(b) and under 28 U.S.C. §§ 1391(c) and 1395(a).

#### DEFINITIONS

4. As used in this Complaint:

- (a) the "Equal Credit Opportunity Act" or the "ECOA" refers to 15 U.S.C. §§ 1691-1691f, as amended;
- (b) "Regulation B" refers to the Federal Reserve Board Regulation B, 12 C.F.R. § 202, as amended, in effect on or after March 23, 1977; and
- (c) The terms "applicant" and "creditor" are defined as provided in Section 702 of the ECOA, 15 U.S.C. § 1691a, and Section 202.2 of Regulation B, 12 C.F.R. § 202.2.

#### DEFENDANT

5. Defendant Ford Motor Credit Company ("Ford Credit") is a Delaware corporation with its office and principal place of business located within the Eastern District of Michigan at The American Road, Dearborn, Michigan 48126. Ford Credit provides wholesale vehicle financing to, and purchases retail installment sales contracts from, automobile dealers nationwide.

6. At all times material herein, defendant has been a "creditor," subject to the requirements of the ECOA and Regulation B.

DEFENDANT'S COURSE OF BUSINESS

7. At all times material herein, defendant has maintained a course of trade in or affecting commerce, as "commerce" is defined in Section 4 of the FTC Act, 15 U.S.C. § 44, by providing wholesale vehicle financing to, and purchasing retail installment sales contracts from, automobile dealers.

8. Ford Credit purchases automobile finance contracts from automobile dealers. Ford Credit uses a computerized credit approval system to evaluate the contracts and to assign an interest rate at which Ford Credit will purchase the finance contract from the dealer ("discount rate"). This discount rate may ultimately affect the interest rate paid by the consumer.

9. In approximately May 1994, Ford Credit implemented a new credit approval system that treated the incomes of joint applicants differently based upon their marital status. As part of the underwriting process, the incomes of joint applicants for credit who were married were combined while the incomes for unmarried joint credit applicants were not. This underwriting practice of not aggregating the incomes of all similarly situated joint applicants resulted in Ford Credit treating unmarried joint applicants less favorably because of marital status. Ford Credit utilized this system until approximately August 1995.

VIOLATIONS OF THE ECOA AND REGULATION B

10. On numerous occasions, defendant has discriminated against an applicant by failing to aggregate the income of unmarried joint applicants while aggregating the income of married joint applicants, thereby violating Section 701(a) of the ECOA, 15 U.S.C. § 1691(a), and Sections 202.4 and 202.6(b)(5) of Regulation B, 12 C.F.R. §§ 202.4 and 202.6(b)(5).

11. Pursuant to Section 704(c) of the ECOA, 15 U.S.C. § 1691c(c), defendant's violations of the ECOA are deemed to be violations of the FTC Act and are enforceable as such by plaintiff under that Act.

INJUNCTION AND MONETARY RELIEF

12. Under Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), this Court is authorized to issue a permanent injunction against defendant's violations of the ECOA and Regulation B, as well as to provide ancillary equitable relief.

PRAYER FOR RELIEF

WHEREFORE, plaintiff requests that this Court, pursuant to 15 U.S.C. §§ 45(a)(1), 45(m)(1)(A), 49, and 53(b) and to this Court's own equity powers:

(1) Enter judgment against defendant and in favor of plaintiff for each violation of the ECOA and Regulation B alleged in this complaint;

(2) Enjoin defendants from violating the ECOA and Regulation B;

(3) Award such relief as this Court finds necessary to redress injury to consumers resulting from defendant's violations of the ECOA and Regulation B, including but not limited to the refund of monies paid by consumers and the disgorgement of ill-gotten monies received by defendant;

(4) Order defendant to pay the costs of this action; and

(5) Award plaintiff such additional relief as this Court may deem just and proper.

DATED:

Respectfully submitted,

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BILL LANN LEE  
Acting Assistant Attorney General  
Civil Rights Division  
for U.S. Department of Justice

United States Attorney

BY: \_\_\_\_\_  
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