



NATIONAL INDEPENDENT AUTOMOBILE DEALERS ASSOCIATION

2521 BROWN BOULEVARD
ARLINGTON, TX 76006-5203

817.640.3838 / FAX 817.649.5866
WWW.NIADA.COM

February 12, 2016

Via Electronic Submission

Federal Trade Commission
Office of the Secretary
Suite CC-5610 (Annex B)
600 Pennsylvania Avenue
Washington, DC 20580

Re: Holder Rule Review, FTC File No. P164800

Dear Secretary,

The National Independent Automobile Dealers Association (“NIADA”) submits the following comments to the Federal Trade Commission (“FTC” or “Commission”) regarding the Federal Register Notice entitled “Rules and Regulations Under the Trade Regulation Rule Concerning Preservation of Consumers’ Claims and Defenses (Holder in Due Course Rule).”

NIADA is among the nation's largest trade associations representing the used motor vehicle industry comprised of more than 38,000 licensed used car dealers. For 70 years, NIADA has engineered programs and leveraged technology to fulfill its mission to advance, educate, and promote the independent, used car dealer. NIADA's members include dealers that sell used vehicles wholesale, retail, and buy here pay here. A vast number of NIADA dealer members routinely assign retail instalment contracts to third party financiers.

Of significant note, the majority of NIADA’s dealer members own and operate small businesses as defined by the Small Business Administration with almost 50 percent of those members employing five or fewer employees. More than 40 percent of these dealers have been in business longer than 20 years.

The Commission issued this Notice and request for comments as part of its systematic review of its current rules and guides, an effort supported by NIADA. NIADA does not believe

any change to the current rule is necessary. Dealers assigning finance contracts to third parties understand their obligations under the rule and include the required holder notice language in their contracts. NIADA is unaware of any evidence to suggest a lack of non-compliance.

Because of the industry wide understanding of and compliance with the rule in its current form, NIADA urges the Commission to keep the rule as currently constituted.

NIADA appreciates the opportunity to comment and welcomes the opportunity to be of further assistance as the Commission continues its rule review process.

Sincerely,



Senior Vice President
Legal and Government Affairs