

Cason v. Nissan Motor Acceptance Corp Outline of Settlement Agreement

Markup Cap

- For new car purchases the markup dealers may charge (over the rate determined by a borrower's creditworthiness) will be capped at 3 %.
- For used car purchases the dealer markup shall not exceed 2% on loans with a duration of more than 64 months.
- NMAC agrees to prohibit any movement of a finance applicant from a more creditworthy tier to a less creditworthy tier for any purpose other than customary underwriting criteria.

Preapproved Loan Program

- NMAC will institute a credit-preapproval program designed to offer "no markup" rates to preapproved African American and Hispanic car buyers.
- Recipients of the preapproved loan offers will be informed of the specific interest rate they are eligible for based solely on their creditworthiness. They will also be notified of any special annual percentage rate (APR) programs they may be eligible for.
- NMAC customers will be informed that they may negotiate auto financing just like the purchase price of the car

Consumer Education

- NMAC will contribute \$1 million over the next five years to three national consumer financial education programs. The grants will fund consumer education of the auto financing process.
- Recipients of consumer education grants include Consumer Federation of America's "America Saves" program, National Council of La Raza's XX program and the Rainbow/PUSH Coalition's "1000 Churches Connected" program.

Consumer Brochures

- NMAC will mail an educational brochure in english and spanish to existing customers annually for five years.

- The brochure developed by NMAC and its consumer education partners will advise consumers about the auto financing process and the financial education programs America Saves, National Council of La Raza's financial education initiative and 1000 Churches Connected financial literacy program.

Disclosure

- NMAC will provide written disclosure on NMAC financing contracts forms that a customer's annual percentage rate may be negotiable with the dealer.