

**MINUTES OF THE MEETING
OF THE
LOUISIANA MOTOR VEHICLE COMMISSION
MOTOR VEHICLE SALES FINANCE DIVISION
3519 12th Street
Metairie, Louisiana 70002
Monday, May 9, 2011**

The meeting was called to order at 11:28 a.m. by Chairman Raymond J. Brandt.

Present were:

Chairman Raymond J. Brandt	Commissioner Troy J. Duhon
Commissioner V. Price LeBlanc, Jr.	Commissioner Brian C. Bent
Commissioner John B. Fabre	Commissioner John W. Timmons
Commissioner Thad J. Ryan, III	Commissioner James C. "Jim" Hicks
Commissioner Joseph W. "Bill" Westbrook	Commissioner Philip E. Tarver
Commissioner Maurice C. Guidry	Commissioner Alexis D. Hocevar
Commissioner Donna S. Corley	

L. A. House, Executive Director
Adrian F. LaPeyronnie, III, Counselor
Gregory F. Reggie, Counselor
Burgess E. McCranie, Jr., Counselor

Absent were:

Commissioner Arthur W. Tait	Commissioner Don P. Hargroder
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Also, in attendance were: Commission staff: Ingya Cattle, Assistant Executive Director; Administrative Coordinators, Pam Mangin and Sylvia Schwarz; and Commission Investigators, Bill Horaist and Amy Lawson.

At this time the Executive Director presented the commission with a packet of legislative bills which if passed would affect the Louisiana Motor Vehicle Sales Finance law and/or be of interest to the Commission.



MVSF

SB 88 Author: Smith, John

Caption: Provides relative to motor vehicle loan documentation and compliance fees.

State Title: To enact R.S. 6:969.18(A)(7), relative to the Louisiana Motor Vehicle Sales Finance Act; to provide for maximum charges allowed for documentation and compliance fees; and to provide for related matters.

HISTORY

House	Description of Action	Date
S	Prefiled	4-14-11
S	Referred to Senate Committee on <u>Senate Commerce</u>	4-14-11
S	Meeting set for 9:30 A.M. RM. E -- Senate Commerce	5- 4-11
S	Reported favorably from committee on <u>Senate Commerce</u>	5- 4-11
S	Set on the Senate Orders	5- 5-11

The Executive Director reported a pre-hearing had been held on April 8, 2011, pursuant to LSA-R.S. 49:961C, regarding Hearing #2011-022, VW Credit, Inc., for alleged violations of LSA-R.S. 6:969.24.1, Acts to lessen or eliminate competition prohibited and LSA-R.S. 6:969.24, Mandatory sales prohibited. In attendance representing VW Credit, Inc. were: John Gressa, George Tautan, Allen Stang, Rachael Trummel, Esq., J. David Forsyth, Esq.,

and Randall Oylen, Esq.; and representing the Commission were: Acting Chairman Brian Bent, Counselor Burgess E. McCranie, Assistant Executive Director, Ingya Cattle, and the Executive Director. Counselor McCranie presented to the Commission Members VW Credit's revised policy for the State of Louisiana which was a result of the pre-hearing.

“VW Credit, Inc. Finance Policies for the State of Louisiana

The Louisiana Motor Vehicle Sales Finance Act (the Act) was recently amended to provide that extended vehicle service contracts and guaranteed asset protection contracts must not be subject to different financing terms based on whether the product is branded or non-branded. In light of those amendments, and to document certain changes it already is implementing VW Credit, Inc. (VCI) is modifying its written finance policies for the State of Louisiana as follows:

Vehicle Service Contract (VSC):

- For each VSC product financed by VCI in the State of Louisiana, the amount of the origination fee, if any, shall not be different based on whether the product is VW-branded, Audi-branded, or non-branded.
- For each VSC product financed by VCI in the State of Louisiana, the advance limit, if any, shall not be different based on whether the contract is VW-branded, Audi-branded, or non-branded.

Guaranteed Asset Protection (GAP) Contracts:

- For each GAP product financed by VCI in the State of Louisiana, the amount of the origination fee, if any, shall not be different based on whether the product is VW-branded, Audi-branded, or non-branded.
- For each GAP product financed by VCI in the State of Louisiana, the advance limit, if any, shall not be different based on whether the contract is VW-branded, Audi-branded, or non-branded.

Pursuant to § 969.24.1.B of the Act, VCI reserves the right to offer or provide incentive benefits or bonus programs to VW Group dealers that make the voluntary decision to sell or offer to sell any VW-branded or Audi-branded VSC or GAP products.

The foregoing modifications will go into full effect on May 16, 2011 or as soon thereafter as VCI receives notice that they have been approved by the Louisiana Motor Vehicle Commission.”

Counselor McCranie reported VW Credit, Inc. had been notified the verbage in the new policy was in compliance with the provisions of LSA-R.S. 6:969.24.1 and LSA-R.S. 6:969.24.2 and VW Credit, Inc. had agreed that any previous violations of these statutes would be corrected.

Chairman Brandt called for a reading of the minutes of the March 14, 2011 meeting. Commissioner Tarver made a motion to accept the minutes as read. Commissioner Guidry seconded this motion and it was unanimously approved.

The Executive Director was directed to include in these minutes the following excerpt from the Louisiana Motor Vehicle Commission meeting immediately preceding this meeting.

“Chairman Brandt asked for a review of the March and April financial statements of the Louisiana Motor Vehicle Commission, Motor Vehicle Sales Finance Division, copies of which were before each Commission Member. Commissioner Hocevar made a motion to accept the March and April financial statements as presented and incorporate into these minutes. This motion was seconded by Commissioner Duhon and it was unanimously approved.”

Chairman Brandt called for a review of the motor vehicle sales finance license issued:

SALES FINANCE COMPANY	CITY	LIC. #
Quality Auto Brokerage Inc.	Slidell, Louisiana	#SF-2011-00805

The Executive Director reported the application and supporting documentation were in order for this motor vehicle sales finance applicant. Commissioner Duhon made a motion to ratify the motor vehicle sales finance license issued, #SF-2011-00805. Commissioner Bent seconded this motion and it was unanimously approved.

SALES FINANCE COMPANY	CITY	LIC. #
CarMax Business Services, LLC DBA CarMax Auto Finance	Kennesaw, Georgia	#SF-2011-00806

The Executive Director reported the application and supporting documentation were in order for this motor vehicle sales finance applicant. Commissioner Corley made a motion to ratify the motor vehicle sales finance license issued, #SF-2011-00806. Commissioner LeBlanc seconded this motion and it was unanimously approved.

SALES FINANCE COMPANY	CITY	LIC. #
Gulfco of Louisiana, Inc. DBA Tower Loan of Gonzales	Gonzales, Louisiana	#SF-2011-00811

The Executive Director reported the application and supporting documentation were in order for this motor vehicle sales finance applicant. Commissioner Fabre made a motion to ratify the motor vehicle sales finance license issued, #SF-2011-00811. Commissioner Timmons seconded this motion and it was unanimously approved.

SALES FINANCE COMPANY	CITY	LIC. #
Gulfco of Louisiana, Inc. DBA Tower Loan of Zachary	Zachary, Louisiana	#SF-2011-00812

The Executive Director reported the application and supporting documentation were in order for this motor vehicle sales finance applicant. Commissioner Fabre made a motion to ratify the motor vehicle sales finance license issued, #SF-2011-00812. Commissioner Duhon seconded this motion and it was unanimously approved.

SALES FINANCE COMPANY	CITY	LIC. #
Ford Motor Credit Company LLC DBA Jaguar Credit DBA Land Rover Capital Group DBA Mazda American Credit DBA PRIMUS Financial Services DBA Volvo Car Finance North America DBA Lincoln Automotive Financial Services	Franklin, Tennessee	#SF-2011-00815

The Executive Director reported the application and supporting documentation were in order for this motor vehicle sales finance applicant. Commissioner Ryan made a motion to ratify the motor vehicle sales finance license issued, #SF-2011-00815. Commissioner Hicks seconded this motion and it was unanimously approved.

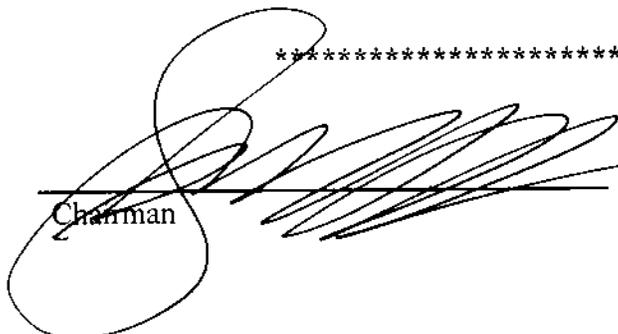
<i>SALES FINANCE COMPANY</i>	<i>CITY</i>	<i>LIC. #</i>
Peak Acceptance, LLC	Dallas, Texas	#SF-2011-00816

The Executive Director reported the application and supporting documentation were in order for this motor vehicle sales finance applicant. Commissioner LeBlanc made a motion to ratify the motor vehicle sales finance license issued, #SF-2011-00816. Commissioner Bent seconded this motion and it was unanimously approved.

The Chairman called for a review of the license issued. Commissioner Duhon made a motion to ratify the licenses issued: sales finance, Sales Finance: #SF-2011-00805 through #SF-2011-00818. Commissioner Hocevar seconded this motion and it was unanimously approved.

The Executive Director reported on routine matters being handled by the staff and not requiring action by the Commission at this time.

There being no further business, Commissioner LeBlanc made a motion to adjourn the meeting at 11:37 a.m. Commissioner Guidry seconded this motion and it was unanimously approved.



 Chairman



 Executive Director