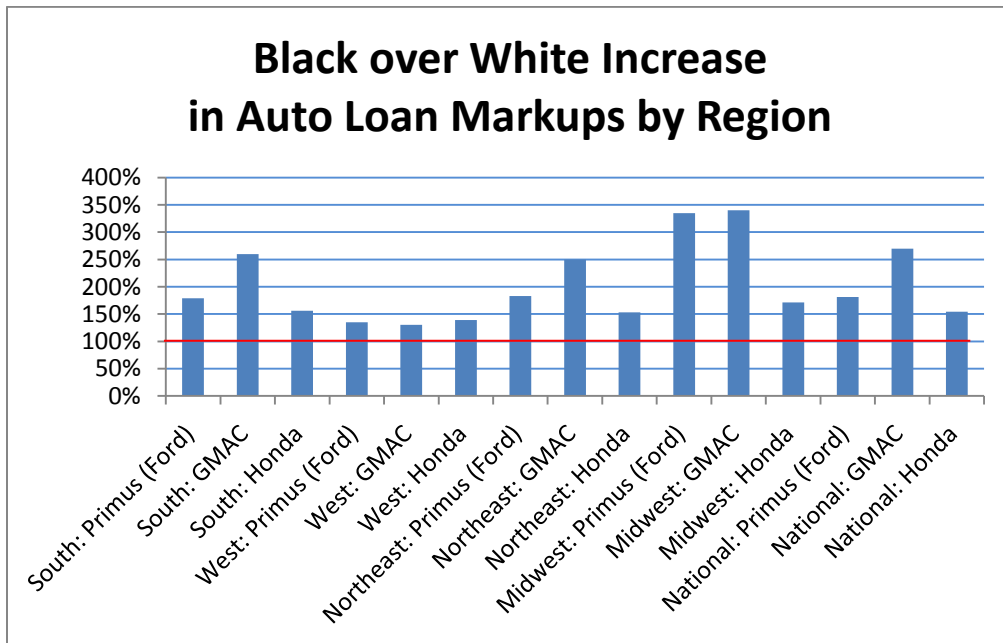


Racial Disparities in Auto Loan Markups State-by-State Data

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Data from the late 1990s to early 2000s obtained in [nationwide cases](#) against the major auto lenders, brought by the National Consumer Law Center and co-counsel, showed **widespread racial disparities, unrelated to credit risk, in the markups added by auto dealers to auto loan rates.**

In practices similar to today, the auto dealers had discretion whether and how much to markup rates already priced for credit risk by the auto lenders. **Actual data from millions of race-coded loans showed that dealers were more likely to markup the loans of African Americans or to impose higher markups.** The data matched racial information contained in drivers' license records with loans to individual borrowers.¹ The powerful data convinced the courts that "the plaintiffs have proved their case"² that permitting discretionary markups led to unacceptable racially disparate impacts. The cases settled with limits on auto dealer markups, but the limits all expired by 2012.



Statistically significant racial disparities were found **in every state with sufficient data and in every region of the country.** Disparities were **also found for Hispanics** on a national level,³ but Hispanic origin was not coded on enough loans to analyze state by state.

Auto Dealer Loan Rate Markups by Race and State				
State	Lender	Black	White	Black over White Increase
Alabama	Primus (Ford)	\$965	\$616	157%
	GMAC	\$836	\$276	303%
	Honda	\$792	\$553	143%

Arkansas	Primus (Ford)	\$108	\$114	95% ⁴
	Honda	\$479	\$395	121%
California	Primus (Ford)	\$742	\$553	134%
	GMAC	\$249	\$192	130%
	Honda	\$892	\$626	142%
Colorado	GMAC	\$479	\$232	206%
Connecticut	GMAC	\$480	\$172	279%
Dist. of Columbia	GMAC	\$857	\$255	336%
Delaware	GMAC	\$376	\$103	365%
Florida	Primus (Ford)	\$900	\$524	172%
	GMAC	\$632	\$269	235%
	Honda	\$1,063	\$669	159%
Georgia	GMAC	\$626	\$288	217%
Iowa	Primus (Ford)	\$1,054	\$232	454%
	GMAC	\$522	\$127	411%
	Honda	\$460	\$409	112%
Illinois	GMAC	\$405	\$156	260%
Indiana	GMAC	\$281	\$152	185%
Kansas	GMAC	\$315	\$226	139%
Kentucky	GMAC	\$298	\$158	189%
Louisiana	Primus (Ford)	\$810	\$378	214%
	GMAC	\$803	\$290	277%
	Honda	\$1,285	\$731	176%
Massachusetts	GMAC	\$610	\$286	213%
Maryland	Primus (Ford)	\$1,159	\$452	256%
	GMAC	\$838	\$329	255%
	Honda	\$1,245	\$724	172%
Minnesota	GMAC	\$212	\$145	146%
Mississippi	Primus (Ford)	\$858	\$493	174%
	GMAC	\$576	\$252	229%
	Honda	\$789	\$583	135%
Missouri	GMAC	\$429	\$233	184%
North Carolina	Primus (Ford)	\$643	\$273	236%
	GMAC	\$601	\$261	230%
	Honda	\$958	\$652	147%
Nebraska	Primus (Ford)	\$496	\$154	322%
	GMAC	\$321	\$74	434%
New Jersey	GMAC	\$488	\$203	240%
New York	GMAC	\$510	\$164	311%
Oklahoma	Primus (Ford)	\$1,005	\$734	137%
	GMAC	\$488	\$216	226%
	Honda	\$1,056	\$624	169%
Pennsylvania	GMAC	\$339	\$173	196%
South	Primus (Ford)	\$812	\$405	200%
	GMAC	\$598	\$245	244%

Carolina	Honda	\$969	\$641	151%
Tennessee	Primus (Ford)	\$1,046	\$409	256%
	GMAC	\$929	\$317	293%
	Honda	\$1,102	\$712	155%
Texas	Primus (Ford)	\$901	\$582	155%
	GMAC	\$564	\$272	207%
	Honda	\$1,272	\$860	148%
Virginia	GMAC	\$602	\$197	306%
Washington	GMAC	\$368	\$184	200%
Wisconsin	Primus (Ford)	\$1,041	\$156	667%
	GMAC	\$714	\$144	496%
	Honda	\$1,045	\$477	219%
Wyoming	GMAC	\$309	\$116	266%

More information on NCLC's auto finance discrimination cases is available at:
<http://www.nclc.org/litigation/case-index-closed-cases.html#auto>

For more information, contact National Consumer Law Center attorney John Van Alst at (617) 542-8010 or jvanalst@nclc.org.

¹ Although not every state identifies race in its drivers' license records, data from the states that do could also be used in other states when the borrower moved.

² *Borlay v. Primus Automotive Financial*, M.D. Tenn., No. 02-CV-382 (Mar. 16, 2005). Primus Automotive Financial is a subsidiary of Ford Motor Credit Corp.

³ For loans assigned to American Honda Finance Corp., the average national auto dealer markup for Hispanics was \$858 and for whites it was \$667. For loans assigned to Primus, the average national Hispanic markup was \$715 and the average white markup was \$464.

⁴ Data for Primus for Arkansas were not statistically significant. In addition, constitutional usury limits in Arkansas constrained excessive markups.