

AG Lynn Fitch Reaches Settlement with Santander for Deceptive Auto Loan Practices

Misled consumers eligible for refund



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Lynn Fitch

Attorney General Lynn Fitch has reached a settlement with Santander resolving allegations that Santander violated the Mississippi Consumer Protection Act by exposing Mississippi consumers to high levels of risk, placing these consumers into auto loans that had a high probability of default, and engaging in aggressive collection practices.

“I remain steadfast in my commitment to protect Mississippi consumers from unfair and deceptive business practices that seek to separate them from their hard-earned money,” **said Attorney General Lynn Fitch**. “This settlement will deliver meaningful relief to harmed consumers and will provide future protection from deceptive lending.”

Under the terms of the agreement, Santander will pay \$3.7M to Mississippi—including \$1.8M in direct consumer restitution. Santander has also agreed to cease collection efforts for any loans extinguished under Mississippi law, providing relief to thousands of Mississippi consumers.

Additionally, going forward, Santander must:

- Account for a consumer’s ability to pay a loan
- Set a reasonable debt-to-income threshold to reasonably evaluate consumer’s ability to pay
- Not require dealers to sell any ancillary product (e.g., vehicle service contracts)
- Monitor dealers for possible income inflation, power booking, or expense deflation
- Not misrepresent a consumer’s prospect of redeeming a vehicle that has been repossessed
- Not require consumers to make payments through methods that require the consumer to pay additional third-party fees, such as a money order
- Not make any attempt to collect on loans that have been extinguished under Mississippi law and must notify all relevant credit reporting agencies that the debts have been extinguished

Over the next few months, eligible consumers will be contacted by the Mississippi Attorney General’s Office notifying them they are eligible for restitution.

If you have questions about restitution, please visit www.SantanderMississippiAGSettlement.com.



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