

# Bureau of Consumer Financial Protection Settles with Santander Consumer USA Inc.

Company Did Not Properly Disclose Terms and Conditions  
of Its Auto Loan Add-On Product and Auto Loan Extensions

NOV 20, 2018

Washington, D.C. – Today the Bureau of Consumer Financial Protection (Bureau) announced a settlement with Santander Consumer USA Inc., a consumer financial services company based in Dallas, Texas.

As described in the consent order, the Bureau found that Santander violated the Consumer Financial Protection Act of 2010 by not properly describing the benefits and limitations of its S-GUARD GAP product, which it offered as an add-on to its auto loan products. Santander also failed to properly disclose the impact on consumers of obtaining a loan extension, including by not clearly and prominently disclosing that the additional interest accrued during the extension period would be paid before any payments to principal when the consumer resumed making payments.

Under the terms of the consent order, Santander must, among other provisions, provide approximately \$9.29 million in restitution to certain consumers who purchased the add-on product, clearly and prominently disclose the terms of its loan extensions and the add-on product, and pay a \$2.5 million civil money penalty.

The consent order is available at:

[https://files.consumerfinance.gov/f/documents/bcfp\\_santander-consumer-usa\\_consent-order\\_2018-11.pdf](https://files.consumerfinance.gov/f/documents/bcfp_santander-consumer-usa_consent-order_2018-11.pdf) 

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*The Bureau of Consumer Financial Protection is a 21st century agency that helps consumer finance markets work by regularly identifying and addressing outdated, unnecessary, or unduly burdensome regulations, by making rules more effective, by consistently enforcing federal consumer financial law, and by empowering consumers to take more control over their economic lives. For more information, visit [consumerfinance.gov](http://consumerfinance.gov).*

**Topics:** ● ADD-ON PRODUCTS ● AUTO LOANS ● CIVIL PENALTY FUND  
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