CHART 1
Total Number of Originations by Loan Type

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* The student loan data represents the number of borrowers originating student loans during a given year, rather than the number of loans originated.
**CHART 2**  
**Add-on Products Sold by Category**

- **GAP** 462,170
- **Service Contract** 592,652
- **Warranty** 279,071
- **Etch** 167,388
- **Key** 123,571
- **Tire** 64,557
- **Dent** 55,866
- **Other** 46,775

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CHART 3
Average Dealer Cost and Markup by State: Service Contracts

State
AK
AL
AZ
CA
CO
CT
DE
FL
GA
HI
IA
ID
IL
IN
KS
KY
LA
MA
MD
ME
MI
MN
MO
NC
ND
NE
NH
NJ
NM
NV
NY
OH
OK
OR
PA
RI
SC
SD
TN
TX
UT
VA
VT
WA
WI
WV

Average Dealer Cost
Average Markup $

©National Consumer Law Center, 2017
Note: Only shows states with 100 or more records.
CHART 4
Average Dealer Cost and Average Markup: Guaranteed Asset Protection (GAP)

State

Average Dealer Cost $Average Markup $

©National Consumer Law Center, 2017
Note: Only shows states with 100 or more records.
CHART 5
Average Dealer Cost and Average Markup: Window Etching (Etch)

State
AZ  CA  CO  CT  FL  GA  IL  IN  KY  LA  MA  MI  MO  MS  NC  NJ  OH  PA  TN  TX  VA

Average Dealer Cost
Average Markup $

©National Consumer Law Center, 2017
Note: Only shows states with 100 or more records.
CHART 6

What One Dealer in Michigan Charged Different Customers for Etch, May 2013
(Dealer’s Cost = $50 for Each Etch Product)

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CHART 7
Dealer Pricing for Service Contracts
with a Trend Towards a Constant $1,500 Markup

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CHART 8
Dealer Pricing for Service Contracts
with a Trend Towards Pricing at $1,999, $2,495 and $2,999

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CHART 9
Dealer Pricing for Service Contracts with a Trend to Use Either a Fixed Price or a Fixed Markup

Customer Charge vs. Dealer Cost

Dealer Cost = Customer Charge

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CHART 10
Comparison of Two Dealers’ Pricing for Service Contracts

Customer Charge

Dealer Cost

©National Consumer Law Center, 2017
CHART 11
Average Service Contract Markup for Hispanics and Non-Hispanics in Dollars

### Average Markup

<table>
<thead>
<tr>
<th>State</th>
<th>Hispanic</th>
<th>Non-Hispanic</th>
</tr>
</thead>
<tbody>
<tr>
<td>MA</td>
<td>$700</td>
<td>$600</td>
</tr>
<tr>
<td>VA</td>
<td>$800</td>
<td>$700</td>
</tr>
<tr>
<td>NY</td>
<td>$900</td>
<td>$800</td>
</tr>
<tr>
<td>FL</td>
<td>$1,000</td>
<td>$900</td>
</tr>
<tr>
<td>KY</td>
<td>$1,100</td>
<td>$1,000</td>
</tr>
<tr>
<td>MN</td>
<td>$1,200</td>
<td>$1,100</td>
</tr>
<tr>
<td>NJ</td>
<td>$1,300</td>
<td>$1,200</td>
</tr>
<tr>
<td>CT</td>
<td>$1,400</td>
<td>$1,300</td>
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<tr>
<td>MO</td>
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<td>$1,400</td>
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<tr>
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<td>$1,500</td>
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<tr>
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<tr>
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<td>$1,800</td>
</tr>
<tr>
<td>TX</td>
<td>$2,000</td>
<td>$1,900</td>
</tr>
</tbody>
</table>

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CHART 12
Average Service Contract Markup for Hispanics and Non-Hispanics by Percentage

Average Markup

<table>
<thead>
<tr>
<th>State</th>
<th>Hispanic Markup</th>
<th>Non-Hispanic Markup</th>
</tr>
</thead>
<tbody>
<tr>
<td>VA</td>
<td>170%</td>
<td>120%</td>
</tr>
<tr>
<td>MA</td>
<td>180%</td>
<td>130%</td>
</tr>
<tr>
<td>MN</td>
<td>150%</td>
<td>110%</td>
</tr>
<tr>
<td>FL</td>
<td>140%</td>
<td>100%</td>
</tr>
<tr>
<td>NY</td>
<td>130%</td>
<td>90%</td>
</tr>
<tr>
<td>NE</td>
<td>120%</td>
<td>80%</td>
</tr>
<tr>
<td>KY</td>
<td>110%</td>
<td>70%</td>
</tr>
<tr>
<td>MO</td>
<td>100%</td>
<td>60%</td>
</tr>
<tr>
<td>NJ</td>
<td>90%</td>
<td>50%</td>
</tr>
<tr>
<td>CA</td>
<td>80%</td>
<td>40%</td>
</tr>
<tr>
<td>CT</td>
<td>70%</td>
<td>30%</td>
</tr>
<tr>
<td>AZ</td>
<td>60%</td>
<td>20%</td>
</tr>
<tr>
<td>OK</td>
<td>50%</td>
<td>10%</td>
</tr>
<tr>
<td>TX</td>
<td>40%</td>
<td>0%</td>
</tr>
</tbody>
</table>

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CHART 13
Service Contracts: Average Hispanic and Non-Hispanic Markup by State in Dollars and Percentages Where Dealer Cost is $910 to $1,010

Average Markup

<table>
<thead>
<tr>
<th>State</th>
<th>Average Markup</th>
</tr>
</thead>
<tbody>
<tr>
<td>MA</td>
<td>$1,200</td>
</tr>
<tr>
<td>VA</td>
<td>$1,000</td>
</tr>
<tr>
<td>KY</td>
<td>$800</td>
</tr>
<tr>
<td>NY</td>
<td>$600</td>
</tr>
<tr>
<td>NJ</td>
<td>$400</td>
</tr>
<tr>
<td>MN</td>
<td>$200</td>
</tr>
<tr>
<td>FL</td>
<td>$1,200</td>
</tr>
<tr>
<td>CT</td>
<td>$1,000</td>
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<tr>
<td>MO</td>
<td>$800</td>
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<tr>
<td>OK</td>
<td>$600</td>
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<tr>
<td>NE</td>
<td>$400</td>
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<tr>
<td>AZ</td>
<td>$200</td>
</tr>
<tr>
<td>CA</td>
<td>$1,200</td>
</tr>
<tr>
<td>TX</td>
<td>$1,000</td>
</tr>
</tbody>
</table>

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CHART 14
Hispanic and Non-Hispanic Markups for Service Contracts
by Six California Dealers in Dollars

Average Markup

$1,300 $1,200 $1,100 $1,000 $900 $800 $700 $600 $500

Dealer A Dealer B Dealer C Dealer D Dealer E Dealer F

California Dealer

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Source: National data set of one provider’s add-on products sold in the U.S., 2011
CHART 15
Hispanic and Non-Hispanic Markups for Service Contracts by Six California Dealers by Percentage

CHART 16
Ohio: Creditors’ Market Share Where Guaranteed Asset Protection (GAP) Insurance Was Sold*

*Companies with the largest market share are identified.
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Source: National data set of one provider’s add-on products sold in the U.S. 2007–2013, and title information obtained from Ohio county title offices and made available by the Ohio Department of Public Safety and the Bureau of Motor Vehicles.
CHART 17
Ohio: Creditors’ Market Share Where Customer Paid More Than $900 for Guaranteed Asset Protection (GAP) Insurance*

*Companies with the largest market share are identified.
©National Consumer Law Center, 2017
Source: National data set of one provider’s add-on products sold in the U.S. 2007–2013, and title information obtained from Ohio county title offices and made available by the Ohio Department of Public Safety and the Bureau of Motor Vehicles.
CHART 18
Ohio: Creditors’ Market Share Where Dealer Cost of Guaranteed Asset Protection (GAP) Insurance Was $150–$250*

*Companies with the largest market share are identified.
©National Consumer Law Center, 2017
Source: National data set of one provider’s add-on products sold in the U.S., 2007–2013, and title information obtained from Ohio county title offices and made available by the Ohio Department of Public Safety and the Bureau of Motor Vehicles.
CHART 19

©National Consumer Law Center, 2017
Source: National data set of one provider’s add-on products sold in the U.S., 2007–2013, and title information obtained from Ohio county title offices and made available by the Ohio Department of Public Safety and the Bureau of Motor Vehicles.
Sample Advertisement for Dealers

**Strength. Security. Results.**

It’s who we are.

- #1 volume F&I product provider.
- Over 200 exceptional agent partners delivering value in all 50 states—*the absolute best in income development*.
- 26 customized OEM private-label programs, more than all other providers combined—*the undisputed leader*.
- $600 million in claims paid.
- $5 billion in profits for our clients.
- 15 million consumers protected worldwide.

Safe-Guard is committed to providing exceptional service and profit-driven results. Experience for yourself why Safe-Guard is the industry’s leading F&I provider.

Note: The red circle has been added to the advertisement for emphasis.
While some dealers with lots of sales of window etching (Etch) charge everyone the same price, it is not typical. In 2012, there were 105 dealers in NCLC’s data set that sold Etch products that had just one dealer cost for every Etch product they sold. Only 19 of those 105 dealers sold the Etch product to each of their customers for the same price, 82% of dealers did not have a single fixed price for their Etch products, but established a different price depending on the customer. These extreme pricing inconsistencies cannot be explained by different costs to the dealer, different products being sold, or different time periods.

**Dealer 1 (CT)**

One of the top twenty-five dealers by Etch volume in 2012 sold over 1,000 Etch products. For each Etch product, the dealer’s cost was $16 and the dealer charged the customer $189, for a markup of $173, or 1,081%. This dealer had a large markup, but charged all customers the same amount for the Etch product.

**Dealer 2 (TN)**

This dealer’s cost for all the Etch products was $37. The dealer charged all customers $199 or $249, except for one sale at $1 and another at $219. The Etch products sold were the same and the dealer cost was the same. There is no apparent reason that the dealer charged one large set of customers $249 and another large set $219.

**Dealer 3 (KY)**

Other dealers display much more inconsistency in their pricing. Dealer 3 had a wholesale cost of $55 per Etch product. The dealership priced these products in a wide range. Most customers were charged $69, $99, $199, and $299, but the dealer also made sales at $1 and $219.

**Dealer 4 (VA)**

Some pricing ranges were even more extreme. Dealer 4 had two different wholesale costs for Etch products — either $35 or $65. The dealer sold over 600 Etch products in 2012. Of those, 213 customers were charged $199. But other customers were charged different amounts, ranging from $1 to $1,995.

To increase transparency of pricing and help prevent discriminatory practices, dealers should be required to:

1. Post the available add-ons and their non-negotiable prices on each car in the lot along with the price of the car itself.
2. Collect data about consumers’ race and ethnicity as part of the transaction and make the data available, just as mortgage lenders do.


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