

Coleman v. General Motors Acceptance Corp.

Outline of Settlement Agreement

Markup Cap

- For new and used car purchases financed through GMAC for a period of sixty (60) months or less during the next three years, the markup dealers may charge over the rate determined by a borrower's creditworthiness may not exceed 2.50%.
- For new and used car purchases financed through GMAC for a period of more than sixty (60) months during the next three years, the markup dealers may charge over the rate determined by a borrower's creditworthiness may not exceed 2.00%.

Preapproved Loan Program

- GMAC will institute a diversity marketing initiative designed to generate 1,250,000 pre-approved "no markup" offers of credit to African American and Hispanic new and used car buyers.
- GMAC will make at least 250,000 of such offers per year over the next five years, with a priority to members of the Class certified in the case, defined as all Black and Hispanic consumers who entered standard rate contracts with GMAC since May 10, 1989.
- Recipients of the pre-approved "no markup" offers of credit will be informed of the specific interest rate they are eligible for based solely on their creditworthiness. They also may be notified of any special annual percentage rate (APR) programs they may be eligible for. The offers will be good for at least thirty days at any GM dealership.

Consumer Education

- GMAC will contribute \$1.6 million toward consumer initiatives undertaken by non-profit organizations for the purpose of improving the education of and/or assisting Black and Hispanic consumers with respect to issues of credit financing.
- Recipients of consumer education and assistance grants include the National Council of La Raza, the Rainbow/PUSH Coalition, and the National Legal Aid and Defender Association. Sub-grants will be provided to the Black America Saves and Hispanic America Saves Initiatives of the America Saves program.

Disclosure

- GMAC will provide written disclosures on GMAC financing contract forms that inform consumers that the annual percentage rate quoted by the dealer may be negotiable and that the dealer may receive a part of the Finance Charge.

GMAC is not paying any compensatory damages to the Class Representatives and Class Members. Class Members are not releasing any claims for monetary relief that they might have against GMAC and they may pursue any such claims individually.

For further information concerning the settlement in Coleman v. GMAC, please refer to the GMAC Settlement Agreement and the Frequently Asked Questions section appearing on this website.

Copies of all of the relevant settlement documents and disclosures in the Coleman v. GMAC case can be found at the official settlement website established by Order of the Court at www.ecoa-settlement.com