

FOR IMMEDIATE RELEASE Thursday, March 5,
2009

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Congresswoman Doris Matsui Participates in Congressional Hearing on Sub-prime Car Market Loans

Meets with Sacramento Expert, Hearing Witness

Washington, DC – Rep. Doris O. Matsui (CA-05) participated in the Energy and Commerce Subcommittee on Commerce, Trade, and Consumer Protection Hearing, where Sacramento-area resident and expert on the sub-prime car market, Rosemary Shahan, testified before the Subcommittee.

“Ms. Shahan’s testimony provided us with a better understanding on how this Subcommittee should move forward to protect and provide safeguards for consumers when they purchase used cars,” stated Congresswoman Matsui. “Unfortunately, many car buyers have fallen victim to the same subprime, predatory lending practices that have caused so many home

foreclosures and our current economic recession.”

California has been negatively impacted from abusive car lending practices and the poor condition of vehicles in the used car market. California also received a great number of the flood-damaged cars from the Gulf Region following Hurricanes Katrina and Rita, cars that are now being sold in California without disclosure of the history of the car to prospective buyers.

Congresswoman Matsui has been a long-time advocate for consumer protection and promotes legislation that requires vendors to share necessary information with their customers. Such legislation helps protect the millions of Americans who cannot afford to buy new cars, and are often stuck with poor purchases if a vendor goes out of business.

“In today’s economic recession, more and more Americans are buying used cars. It is imperative that consumers have full disclosure of their financial terms and the true condition of their car,” said Matsui in her opening statement to the Subcommittee.

Today’s hearing focused on two issues relating to the subprime car market: the financing of car loans, which deals with the scams in car loan financing; and the condition of cars, meaning when consumers buy cars, in many cases, they don’t know that the car was damaged or in an accident or the title was flawed in some way.

Rosemary Shahan is President of the Consumers for Auto Reliability and Safety, which is based in downtown Sacramento. Ms. Shahan is widely viewed as one of the country’s leading witness on car condition issues, and on the many challenges facing the used and subprime car markets.

Congresswoman Matsui sits on the Energy and Commerce full Committee, and on the Commerce, Trade, and Consumer Protection Subcommittee.

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