

Dustin Alonzo and Helen Mosothoane Analyze New State Auto Sales Regulations Following FTC CARS Rule Nullification

Conference on Consumer Finance Law (CCFL) Quarterly Report

In The News | 1 min read

Nov 10, 2025

In the latest issue of the *Conference on Consumer Finance Law (CCFL) Quarterly Report* (Vol. 78, No. 3, 2025), Hinshaw attorneys Dustin Alonzo and Helen Mosothoane analyze the effects of the Fifth Circuit's notable decision in *National Automobile Dealers Association v. FTC*.

The court's ruling voided the Federal Trade Commission's (FTC) Combating Auto Retail Scams Trade Regulation Rule (CARS Rule) on procedural grounds for failure to issue an advance notice of proposed rulemaking. Our authors explain the court's reasoning and the CARS Rule's core provisions regarding misrepresentations, required disclosures, add-on restrictions, and informed consent.

Next, the article reviews the rapid response at the state level, with new state regulations and enforcement targeting alleged bait-and-switch tactics and other Unfair or Deceptive Acts or Practices (UDAPs) in the auto sales and financing industry. Dustin and Helen highlight the following:

- California's CARS Act (SB 766), was signed into law on October 6, 2025;
- New York legislation addressing itemization, spot deliveries, and dealer finance markups;
- Pennsylvania's proposed pre-contract "Financial Disclosure" requirements;
- Massachusetts' finalized "junk fee" regulations;
- Existing state advertising and disclosure rules; and
- Recent FTC and state attorney general enforcement actions that impact dealers and finance companies.

Dustin and Helen conclude their analysis with practical recommendations for industry professionals, including the importance of closely tracking evolving state requirements, reassessing advertising and "offering price" practices, scrutinizing add-on products and disclosures, and aligning recordkeeping and compliance controls to reduce enforcement risk in multi-jurisdiction operations.

Note that Dustin is scheduled to co-present a [panel at the Fall Conference of Consumer Finance Law](#) on November 20, 2025, where he will discuss “What is Next After the Demise of the FTC’s CARS Rule.”

Read the full article (subscription may be required).

- “States Target Bait-and-Switch Practices and Other UDAPs by Automobile Dealers After Fifth Circuit Sets Aside FTC Cars Rule,” *Consumer Finance Law Quarterly Report*, Vol. 78, No. 3, 2025

Hinshaw & Culbertson LLP is a U.S.-based law firm with offices nationwide. The firm’s national reputation spans the insurance industry, the financial services sector, professional services, and other highly regulated industries. Hinshaw provides holistic legal solutions—from litigation and dispute resolution, and business advisory and transactional services, to regulatory compliance—for clients of all sizes. Visit www.hinshawlaw.com for more information and follow @Hinshaw on LinkedIn and X.

Related People



Dustin C. Alonzo

Partner

📞 504-904-8068



Helen G. Mosothoane

Senior Counsel

📞 945-229-6396

Related Capabilities

Automotive Financial Services

Financial Services

Financial Services Litigation

Financial Services Regulatory & Compliance

Regulatory & Compliance

Transportation & Mobility

Related Locations

Dallas

New Orleans

Related Insights

Aimee Szygenda and Alfredo Ramos Examine the Risks and Rewards of Generative AI Use in the Litigation Process