

H 8243

February 22, 2026

Via email to rep-newberry@rilegislature.gov

Representative Brian C. Newberry
House Corporations Committee
Rhode Island General Assembly
State House, Providence, RI

Re: Unfair and Deceptive Practice / Disclosure; “Money Down” or “Down Payment” on Vehicle Leases

Dear Brian:

For the 4th year in a row, after multiple attempts to address this issue through non-legislative means, I am reaching out to you for assistance, I am asking that the legislature take a simple, noncontroversial, common-sense change to level the playing field for consumers.

Specifically, for the reasons described in more detail below, Rhode Island should prohibit automobile financing arrangements from using the terms “down payment” or “money down”, and require a specific, plain language, prominent disclosure to anyone putting “money down” on a leased vehicle that they will never receive the money back if the vehicle is totaled.

My son purchased his first new car and, in order to afford the payments for the car with the best safety features (he drives like a grandma), he traded in his used car and put that money down on the new one. Three weeks after he drove the car off the showroom floor, through no fault of his own, it was totaled.

And then the insult to add to the injury: the financing company informed him they would be keeping all of the proceeds – including his “money down” - so he would not be able replace the car. I was flabbergasted, and so were all of my friends, family, and colleagues. Every time I told people what had happened, they gasped in shock: Is that true? How can it be legal for them to keep more than they paid, and refuse to give back the “money down”? Even the auto insurance companies involved were shocked that the leasing company was demanding an unearned windfall.

The only people who were not shocked: auto sales and auto financing insiders. The auto leasing company reps told me that they had never seen anyone get their “down payment” back, under any circumstances. And the dealership where my son purchased his car told me they knew leasing companies took this position and therefore no one should put down money on a lease for that reason. This is the same dealership that weeks before had advised my son to put “money down”, both in their advertisements and in the sales presentation, so that the lease payments would fit his budget.

I am a lawyer, a skeptic, and cheap by nature. I read the fine print in all the ads, leasing documents, and disclosures, and asked direct questions of the salespeople. If I had any inkling that the financing company could or would keep my son’s “money down”, I would **never** have let him do that.

And I am not asking for anything for my son. I got his money back because I have been a lawyer for decades, know how to read a contract and argue, and was too stubborn to back down. But not everyone has a free attorney on retainer, especially one who has a personal stake in the outcome. And Rhode Islanders shouldn’t have to have that luxury in order to get what is fair and right. That is why I am asking again this year – 4th time is the charm! – for you to pass the common sense legislation attached to this letter.

So once again: this legislation is needed to combat an auto leasing / auto advertising practice that is unfair, deceptive, misleading, inequitable, and against public policy:

- print advertisements, digital advertisements, salespeople, and sales disclosures encourage “down payments” and “money down” for auto leases;
- consumers put down thousands of dollars in “down payments” but, in the event of an accident, the finance company keeps 100% of the insurance proceeds, including the “down payment”, even though that is significantly more than what they actually financed;
- there is no disclosure – even in the fine print – that would tell consumers that their “down payment” is not a “down payment”;
- it is especially objectionable since individuals in the auto sales/leasing/financing field apparently are the only ones aware of the issue, and say “no one should put money down on a lease as a result” in private, while soliciting those “down payments” in public.

There is a simple solution: to promote consumer protection, avoid misleading and deceptive ads, and ensure adequate disclosure, Rhode Island auto dealerships and automotive financing companies doing business in Rhode Island should be required to do one of the following:

- Stop soliciting or accepting “down payments” or “money down” on leases in exchange for reduced payments; or
- Change the terms used - such as calling it “points” (similar to the practice for mortgages) - and requiring a specific, plain language, prominent disclosure to anyone putting money down on a leased vehicle that they will never receive the money back if the vehicle is totaled, regardless of the circumstances.

I would recommend that these requirements be included in an amendment to RIGL Chapter 6-13.1, perhaps 6-13.1-28. A draft amendment is included for your review.

I am more than happy to assist in any way possible to resolve this issue if you think it could be helpful. Thank you in advance for your consideration!

Sincerely,

Kimberly I. McCarthy

Kimberly I. McCarthy, Esq.

February 22, 2026

Via email to sen-pearson@rilegislature.gov

Senator Ryan W. Pearson
House Corporations Committee
Rhode Island General Assembly
State House, Providence, RI

Re: Unfair and Deceptive Practice / Disclosure; “Money Down” or “Down Payment” on Vehicle Leases

Dear Senator Pearson:

For the 4th year in a row, after multiple attempts to address this issue through non-legislative means, I am reaching out to you for assistance, as your constituent and as an advocate for regular Rhode Islanders, I am asking that the legislature take a simple, noncontroversial, common-sense change to level the playing field for consumers.

Specifically, for the reasons described in more detail below, Rhode Island should prohibit automobile financing arrangements from using the terms “down payment” or “money down”, and require a specific, plain language, prominent disclosure to anyone putting “money down” on a leased vehicle that they will never receive the money back if the vehicle is totaled.

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And I am not asking for anything for my son. I got his money back because I have been a lawyer for decades, know how to read a contract and argue, and was too stubborn to back down. But not everyone has a free attorney on retainer, especially one who has a personal stake in the outcome. And Rhode Islanders shouldn’t have to have that luxury in order to get what is fair and right. That is why I am asking again this year – 4th time is the charm! – for you to pass the common sense legislation attached to this letter.

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