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**Attorney General Abbott Reaches Settlement With Ford Motor Credit,
Ford And Lincoln Mercury Dealers**

Agreement includes 38 other states; 150,000 'Red Carpet' lease customers affected

AUSTIN - Attorney General Greg Abbott joined forces with 38 other states today in securing an agreement with Ford Motor Credit Co. and various dealers to refund money to about 150,000 customers who terminated their vehicle leases early, paid too much in the lease payoff, and then purchased the vehicles.

More than 6,000 Texas consumers may be eligible for \$600,000 in restitution, and 83 of the dealers involved are in Texas (see attached list).

The company's "Red Carpet" leasing program eventually came under the lens of investigators working with a multistate group of attorneys general. They found that from 1991-94 Ford Motor Credit withheld accurate lease payoff information from customers who chose to terminate their leases ahead of schedule.

The company then directed them to their respective auto dealers, who often gave customers payoff information that was higher than the actual payoff balance. If the customers opted to purchase the vehicles, the dealers profited by retaining this excess from the lease payoff.

"Texans who entered into these lease agreements had every reason to believe they were being treated fairly," said Attorney General Abbott. "We now know they were deceived into believing they had accurate payoff information, when in fact the dealers lined their pocket. These consumers are entitled to the excess they paid and they will get it."

Customers who terminated leases in this manner and received a payoff quotation from the company – and who may be eligible for a refund – will be notified by mail by Ford Motor Credit. The settlement administrator will also have Spanish-speaking representatives on hand to communicate with consumers, and documents will be provided in Spanish if requested.

Ford Motor Credit and the named dealers no longer engage in this practice. The company will reimburse the state of Texas \$300,000 in attorneys' fees expended for this investigation.

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