



1700 G Street NW, Washington, D.C. 20552

December 11, 2024

J. Patrick Altes

RE: Petition for Rulemaking - Automobile Repossession Assignments (Docket No. CFPB-2022-0036)

Dear J. Patrick Altes,

Thank you for filing a petition for rulemaking requesting that the CFPB prohibit lenders and/or their proxies from assigning automobile repossession accounts to their service providers on a contingent basis. On June 2, 2022, the Consumer Financial Protection Bureau (CFPB) posted this petition on Regulations.gov with a 60-day comment period, which ended on August 2, 2022.<sup>1</sup> The CFPB received no comments on your petition.

In the petition, you assert that contingent-basis vehicle repossession assignments have “proven to be a danger to consumers, inasmuch as [they] incentivize[] repossessionors to take unnecessary risks in the repossession process.” You also raised concerns that these practices can lead to creditors failing to conduct due diligence prior to dispatching vehicle repossession companies and informing unrelated third parties of consumer debt.

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<sup>1</sup> Petition for Rulemaking – Automobile Repossession Assignments, <https://www.regulations.gov/document/CFPB-2022-0036-0001>.

The CFPB appreciates the concerns you have raised regarding contingent-basis vehicle repossession assignments. The CFPB has taken several steps to combat against unfair, deceptive, and abusive vehicle repossession practices engaged in by automobile lenders and servicers. In February 2022, the CFPB issued a compliance bulletin, *Mitigating Harm from Repossession of Automobiles*,<sup>2</sup> and in May 2022 released its Supervisory Highlights report identifying improper practices in the vehicle repossession industry.<sup>3</sup> Most recently, the CFPB released its Supervisory Highlights report identifying consumers' experiences with the auto finance industry.<sup>4</sup> You have raised an important issue, and we will continue to consider this as we evaluate existing regulations for potential updates.

Thank you again for submitting this petition.

Sincerely,

*Seth Frotman*

Seth Frotman  
General Counsel

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<sup>2</sup> *Mitigating Harm from Repossession of Automobiles*, <https://www.consumerfinance.gov/compliance/supervisory-guidance/cfpb-bulletin-2022-04-mitigating-harm-from-repossession-of-automobiles/>.

<sup>3</sup> Supervisory Highlights, Issue 26, Spring 2022, <https://www.consumerfinance.gov/about-us/newsroom/cfpb-supervisory-report-finds-unlawful-auto-repossessions-breakdowns-in-credit-report-disputes/>.

<sup>4</sup> Supervisory Highlights: Special Edition Auto Finance, Issue 35, Fall 2024, [https://files.consumerfinance.gov/f/documents/cfpb\\_supervisory-highlights-special-ed-auto-finance\\_2024-10.pdf](https://files.consumerfinance.gov/f/documents/cfpb_supervisory-highlights-special-ed-auto-finance_2024-10.pdf)