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United States Senate

COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS

WASHINGTON, DC 20510-6075

February 4, 2026

Todd Case
President
American Recovery Association
7750 N MacArthur Blvd
Ste 120 -#321
Irving, TX 75063

Dear Mr. Case,

I am writing to you to request information regarding the American Recovery Association's (ARA's) understanding of recent trends in auto repossession practices and error rates. Auto repossessions have hit the highest levels since the Great Recession, leading to greater demand and pressure on companies that handle the physical act of repossessing cars. While the Consumer Financial Protection Bureau (CFPB) has historically engaged in oversight of illegal auto repossessions,¹ the Trump Administration has kneecapped the agency's ability to protect consumers from auto repossession errors.² To understand the impact of these actions by the Administration, I write to request information on the industry's practices to avoid errors and information on errors from the last four years.

Consumers are currently struggling to afford cars, with the price of new cars topping \$50,000 on average and the price of used cars averaging over \$25,000.³ Since January 2020, the cost of

¹ E.g. Consumer Financial Protection Bureau, "Consumer Financial Protection Bureau Settles with Nissan Motor Acceptance Corporation for Illegal Collections and Repossession Practices," press release, October 13, 2020, <https://www.consumerfinance.gov/about-us/newsroom/consumer-financial-protection-bureau-settles-nissan-motor-acceptance-corporation-illegal-collections-and-repossession-practices/>; Consumer Federation of American, "Driven to Default: Economy-Wide Risks of Rising Auto Loan Delinquencies," Erin Witte and Tara Mikkilineni, September 10, 2025, p. 8, <https://consumerfed.org/wp-content/uploads/2025/09/Driven-to-Default-9.9.25-final.pdf>; CFPB, "CFPB Takes Action Against Wrongful Auto Repossessions and Loan Servicing Breakdowns," press release, October 7, 2024, <https://www.consumerfinance.gov/about-us/newsroom/cfpb-takes-action-against-wrongful-auto-repossessions-and-loan-servicing-breakdowns/>.

² Dashboard, "CFPB rescinds regulatory guidance on repossessions, other items," June 4, 2025, <https://niada.com/dashboard/cfpb-rescinds-regulatory-guidance-on-repossessions-other-items/>; Reuters, "White House budget director plans to shut US consumer finance watchdog within months," Nandita Bose, Doina Chiacu and Douglas Gillison, October 15, 2025, <https://www.reuters.com/business/world-at-work/white-house-budget-director-vought-says-over-10000-federal-workers-could-be-laid-2025-10-15/>; Politico, "Trump administration declares CFPB funding illegal," Michael Stratford, November 11, 2025, <https://www.politico.com/news/2025/11/11/trump-administration-declares-cfpb-funding-illegal-00646354>.

³ NPR, "Cars are essential in most of the U.S. They're also increasingly unaffordable," October 30, 2025, Camila Domonoske, <https://www.npr.org/2025/10/29/nx-s1-5556935/cost-of-living-cars>.

owning a car has risen by 40%.⁴ The average interest rate for a four year auto loan on a new car was 7.51% in August 2025 which, while slightly below the peak in early 2024, is well above pre-pandemic rates.⁵ Subprime borrowers are particularly vulnerable to the rising costs: in recent months, multiple lenders for subprime borrowers have halted issuing any new loans⁶; meanwhile, over 6% of loans to subprime borrowers are 60 days or more delinquent.⁷

The rates of delinquencies and repossessions in the auto market is a blaring alarm that American consumers are hurting financially. The default rates on car loans are increasing at a *nearly identical* pace to default rates in the lead up to the 2008 financial crisis.⁸ Last year was on pace to have more repossessions than any year since 2009.⁹ The former president of the American Recovery Association said that 2025 was “looking to be the most active repossession year since the last financial crisis.”¹⁰

Having a car repossessed is a devastating and deeply disruptive experience. The vast majority of Americans who commute to work depend on a car,¹¹ and across the U.S., nearly half of Americans have *no* access to public transportation.¹² Losing access to a car often means losing a paycheck. Lack of transportation further limits consumers’ abilities to care for family, take children to daycare or doctors appointments, and access grocery stores, health clinics, and government buildings. Consumers who are forced to choose which bill to pay will often prioritize their car payment over other bills, as “autos can be repossessed with little notice.”¹³

When cars are repossessed, the process can include lenders and multiple outside parties. Typically, when a lender decides to trigger a repossession, the lender hires an outside party to

⁴ NPR, “Cars are essential in most of the U.S. They're also increasingly unaffordable,” October 30, 2025, Camila Domonoske, <https://www.npr.org/2025/10/29/nx-s1-5556935/cost-of-living-cars>.

⁵ Federal Reserve Bank of St. Louis, “Finance Rate on Consumer Installment Loans at Commercial Banks, New Autos 48 Month Loan,” October 7, 2025, <https://fred.stlouisfed.org/series/TERMCBAUTO48NS>.

⁶ The Telegraph, “On the frontline of America’s car repossession boom,” Melissa Lawford, November 5, 2025, <https://www.telegraph.co.uk/business/2025/11/05/on-the-frontline-of-americas-car-repossession-boom/>.

⁷ The Wall Street Journal, “Americans Are Falling Behind on Their Car Payments,” Ben Clickman and Ryan Felton, October 10, 2025, <https://www.wsj.com/business/autos/auto-loans-subprime-late-payments-1d8bb33c>.

⁸ Consumer Federation of American, “Driven to Default: Economy-Wide Risks of Rising Auto Loan Delinquencies,” Erin Witte and Tara Mikkilineni, September 10, 2025, p. 5,

<https://consumerfed.org/wp-content/uploads/2025/09/Driven-to-Default-9.9.25-final.pdf>

⁹ Newsweek, “Car Repossessions Approaching Record High as Delinquency Rates Soar,” Hugh Cameron, October 20, 2025, <https://www.newsweek.com/car-repossessions-approaching-record-high-as-delinquency-rates-soar-10908518>.

¹⁰ The Telegraph, “On the frontline of America’s car repossession boom,” Melissa Lawford, November 5, 2025, <https://www.telegraph.co.uk/business/2025/11/05/on-the-frontline-of-americas-car-repossession-boom/>.

¹¹ United States Census Bureau, “Census Bureau Releases New Brief About Travel to Work Since Pandemic’s Onset,” press release, February 20, 2024, <https://www.census.gov/newsroom/press-releases/2024/travel-to-work-since-pandemic.html>.

¹² American Public Transportation “Public Transportation Facts,” <https://www.apta.com/news-publications/public-transportation-facts/>.

¹³ FICO Score, “FICO® Score Credit Insights,” p. 12, <https://www.fico.com/en/resource-access/download/55026>; Federal Reserve Bank of New York, “When the Household Pie Shrinks, Who Gets Their Slice?,” Jacob Conway, Natalia Fischl-Lanzoni, and Matthew Plosser, March 6, 2025, <https://libertystreeteconomics.newyorkfed.org/2025/03/when-the-household-pie-shrinks-who-gets-their-slice/>.

handle the repossession, known as an “assignment.”¹⁴ Some of these assignments are funneled through a “forwarder,” another middleman in the repossession chain.¹⁵ These forwarders take a cut of the profit, limiting the funds available to pay the party who handles the ultimate repossession.¹⁶ The often-local repossession company is then responsible for finding the car and completing the repossession.¹⁷

The process of physically repossessing cars has many opportunities for human error, particularly when done in the dark and under stressful and dangerous conditions.¹⁸ While some cars may be equipped with GPS or remote ignition shut-offs, many require an employee to physically locate and tow them. As the Wall Street Journal reported, “Many addresses are wrong or old. Plate readers trigger false positives—right tag but wrong state ... Another challenge: Many cars look similar.”¹⁹ Some states even issue repeat license plate numbers,²⁰ which could lead to difficulties for repossession agents. The CFPB has also previously noted cases where “[r]epossession agents failed to confirm that the repossession order was still active prior to repossessing a vehicle.”²¹

Currently, there is no publicly available data nor comprehensive review of error rates in auto repossessions. Typically, this is the type of investigation that the CFPB would conduct²² and would be consistent with their prior extensive oversight and enforcement work on unlawful repossessions.²³ However, as repossession rates are rising, the Acting Director of the CFPB is trying to illegally shut down the agency and sideline its work on behalf of American families.²⁴

¹⁴ The Telegraph, “On the frontline of America’s car repossession boom,” Melissa Lawford, November 5, 2025, <https://www.telegraph.co.uk/business/2025/11/05/on-the-frontline-of-americas-car-repossession-boom/>.

¹⁵ The Wall Street Journal, “We Spent the Night Shift With the Repo Man, Who Is Busier Than Ever,” Scott Calvert, October 28, 2025, <https://www.wsj.com/business/autos/we-spent-the-night-shift-with-the-repo-man-who-is-busier-than-ever-ff40dcb9>.

¹⁶ *Id.*

¹⁷ *Id.*

¹⁸ The Telegraph, “On the frontline of America’s car repossession boom,” Melissa Lawford, November 5, 2025, <https://www.telegraph.co.uk/business/2025/11/05/on-the-frontline-of-americas-car-repossession-boom/>.

¹⁹ The Wall Street Journal, “We Spent the Night Shift With the Repo Man, Who Is Busier Than Ever,” Scott Calvert, October 28, 2025, <https://www.wsj.com/business/autos/we-spent-the-night-shift-with-the-repo-man-who-is-busier-than-ever-ff40dcb9>.

²⁰ WJAR, “NBC 10 I-Team: Duplicate license plate problems persist,” Katie Davis, April 2, 2019, <https://turnto10.com/i-team/nbc-10-i-team-duplicate-license-plate-problems-persist>; Fox 4, “Metro man learns his Kansas’ license plate has a twin when another driver’s bills arrive,” Linda Wagar, May 27, 2020, <https://fox4kc.com/news/problem-solvers/metro-man-learns-his-kansas-license-plate-has-a-twin-when-another-drivers-bills-arrive/>.

²¹ Consumer Financial Protection Bureau, Compliance Bulletin and Policy Guidance, “Mitigating Harm From Repossession of Automobiles,” March 3, 2022, <https://www.federalregister.gov/documents/2022/03/03/2022-04508/bulletin-2022-04-mitigating-harm-from-repossession-of-automobiles>.

²² 15 U.S.C. 5562(c)(1) (giving the CFPB authority to issue a civil demand to parties in possession of materials or information “relevant to a violation.”).

²³ Consumer Financial Protection Bureau, “CFPB Takes Action Against Wrongful Auto Repossessions and Loan Servicing Breakdowns,” press release, October 7, 2024, <https://www.consumerfinance.gov/about-us/newsroom/cfpb-takes-action-against-wrongful-auto-repossession-and-loan-servicing-breakdowns/>.

²⁴ Reuters, “White House budget director plans to shut US consumer finance watchdog within months,” Nandita Bose, Doina Chiacu and Douglas Gillison, October 15, 2025, <https://www.reuters.com/business/world-at-work/white-house-budget-director-vought-says-over-10000-federal-workers-could-be-laid-2025-10-15/>; Politico, “Trump administration declares CFPB funding illegal,” Michael Stratford, November 11, 2025, <https://www.politico.com/news/2025/11/11/trump-administration-declares-cfpb>.

The CFPB, under the Trump Administration, recently issued a proposed rule that could “eliminate all oversight of subprime lenders” and require oversight only for lenders that originate more than 1 million loans a year—effectively removing supervision from all but five of them.²⁵ The CFPB has also rescinded guidance²⁶ on “Mitigating Harm From Repossession of Automobiles,” which had provided information, best practices, and examples of potential violations related to auto repossessions.²⁷

The ARA describes itself as “the world’s largest association of recovery professionals” with over 260 members.²⁸ The ARA’s expertise on matters of auto repossession is such that it provides its members with compliance training, certification, and educational materials.²⁹ Given the depth and breadth of ARA’s expertise and membership, I believe that ARA may help uncover industry-wide trends and practices related to auto repossessions.

Car repossession is a devastating disruption to someone’s life—and it is inexcusable when that repossession is in error. To provide me with a better understanding of the current consumer protections in the repossession market, I request answers to the following questions no later than February 16, 2026.

1. Between January 1, 2022, and December 31, 2025, please provide available data and the ARA’s understanding of recent trends on the following items among its members. Please limit your responses to personal automobiles.
 - a. On an annual basis, how often do your members conduct repossessions themselves, as compared to directly hiring an outside party or using a third party to indirectly hire an outside party?
 - b. In 2022, 2023, 2024, and 2025, provide the number of repossession events conducted by your members that involved the following scenarios. For each, please also provide ARA’s understanding of the major risk factors contributing to the error and how members are mitigating those risks.
 - i. Repossession events involving towing or attempting to tow the incorrect personal automobile due to an error by a member company
 - ii. Repossession events involving towing or attempting to tow the incorrect personal automobile due to an error by an outside entity directly or indirectly hired by a member company
 - iii. Repossession events involving towing or attempting to tow the incorrect personal automobile due to erroneous information provided in an assignment

[funding-illegal-00646354](#).

²⁵ American Banker, “As auto delinquencies rise, CFPB seeks to cut oversight,” Kate Berry, November 6, 2025, <https://www.americanbanker.com/news/as-auto-delinquencies-rise-cfpb-seeks-to-cut-oversight>.

²⁶ Dashboard, “CFPB rescinds regulatory guidance on repossessions, other items,” June 4, 2025, <https://niada.com/dashboard/cfpb-rescinds-regulatory-guidance-on-repossessions-other-items/>.

²⁷ Consumer Financial Protection Bureau, Compliance Bulletin and Policy Guidance, “Mitigating Harm From Repossession of Automobiles,” March 3, 2022, <https://www.federalregister.gov/documents/2022/03/03/2022-04508/bulletin-2022-04-mitigating-harm-from-repossession-of-automobiles>.

²⁸ American Recovery Association, <https://repo.org/>.

²⁹ *Id.*

- c. How often do consumers make formal or informal complaints or claims that a repossession was in error, even if the repossessing party disagrees? Provide the number of such repossessions for your 20 largest members on an annual basis.
 - i. What are the most common reasons consumers believe the repossession to be in error? Please list the top 5 reasons provided by consumers.
 - ii. Please provide data on how these situations are resolved to include: i) timeline of resolution, ii) the ultimate resolution of such situations, and iii) how often these processes include a consumer lodged complaint with a government agency, the Better Business Bureau, or other third party.
2. For each of the following topics, please provide any best practices, manuals, training materials, process guides, or other guidance that ARA is aware of or provides to its members. As applicable, please limit your responses to personal automobiles.
- a. Practices to prevent errors in automobile repossession
 - b. Practices for automobiles that repossessed in error
 - c. Practices for personal property in repossessed automobiles
 - d. Practices to avoid placing a repossessing agent, consumer debtor, or the public in danger during a repossession, including practices to avoid breaching the peace
 - e. Practices for how to handle situations where a consumer claims the repossession was made in error even if the repossessing party does not believe it to be in error
 - f. Practices related to the use of technology that disables a car, including information related to the timeliness of collecting the car following its disablement and information related to practices to avoid further damage to the car by third parties

I thank you for your attention to this matter.

Sincerely,



Elizabeth Warren
Ranking Member
Committee on Banking,
Housing, and Urban Affairs