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## United States Senate

COMMITTEE ON BANKING, HOUSING, AND  
URBAN AFFAIRS

WASHINGTON, DC 20510-6075

February 4, 2026

Scott Cooke  
President and Chief Executive Officer  
Toyota Financial Services  
6565 Headquarters Drive  
Plano, TX 75024

Dear Mr. Cooke,

I am writing to you to request information regarding Toyota Financial Services' auto repossession policies 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,<sup>1</sup> the Trump Administration has kneecapped the agency's ability to protect consumers from auto repossession errors.<sup>2</sup> To understand the impact of these actions by the Administration, I write to request information on Toyota Financial Services' 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.<sup>3</sup> Since January 2020, the cost of owning a car has risen by 40%.<sup>4</sup> 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-

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<sup>1</sup> 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>; 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/>.

<sup>2</sup> Dashboard, "CFPB rescinds regulatory guidance on repossessions, other items," June 4, 2025, <https://niada.com/dashboard/cfpb-rescinds-regulatory-guidance-on-repossession-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>.

<sup>3</sup> 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>.

<sup>4</sup> *Id.*

pandemic rates.<sup>5</sup> Subprime borrowers are particularly vulnerable to the rising costs: in recent months, multiple lenders for subprime borrowers have halted issuing any new loans<sup>6</sup>; meanwhile, over 6% of loans to subprime borrowers are 60 days or more delinquent.<sup>7</sup>

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.<sup>8</sup> Last year was on pace to have more repossessions than any year since 2009.<sup>9</sup> 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.”<sup>10</sup>

Having a car repossessed is a devastating and deeply disruptive experience. The vast majority of Americans who commute to work depend on a car,<sup>11</sup> and across the U.S., nearly half of Americans have *no* access to public transportation.<sup>12</sup> 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 doctor 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.”<sup>13</sup>

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 handle the repossession, known as an “assignment.”<sup>14</sup> Some of these assignments are funneled through a “forwarder,” another middleman in the repossession chain.<sup>15</sup> These forwarders take a

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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/>.

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>.

cut of the profit, limiting the funds available to pay the party who handles the ultimate repossession.<sup>16</sup> The often-local repossession company is then responsible for finding the car and completing the repossession.<sup>17</sup>

The CFPB under the Biden administration highlighted that auto loan servicers were “engaged in unfair acts or practices” including erroneous repossessions.<sup>18</sup> These incorrect repossessions included situations “when [the servicer’s] representatives or service providers failed to cancel orders to repossess vehicles, or act on those cancellations,” and when the servicer and consumer had come to an agreement regarding a full or partial payment to avoid repossession.<sup>19</sup> Wrongful repossession has also occurred when a servicer repossessed vehicles from consumers: i) whose accounts were current, ii) who had made promises to pay by a given date that had not yet passed, or iii) after the servicer and consumer agreed to an extension.<sup>20</sup> There have been instances where a servicer “failed to cancel repossession orders that had previously been communicated to repossession agents.”<sup>21</sup> Perhaps most egregiously, the CFPB has noted servicers who “incorrectly coded consumers as delinquent” and began to repossess their cars.<sup>22</sup>

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 conduct<sup>23</sup> and would be consistent with their prior extensive oversight and enforcement work on unlawful repossessions.<sup>24</sup> 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.<sup>25</sup> 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.<sup>26</sup>

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16 *Id.*

17 *Id.*

18 Consumer Financial Protection Bureau, “Supervisory Highlights: Special Edition Auto Finance,” October 2024, p. 6, [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).

19 *Id.*

20 Consumer Financial Protection Bureau, Compliance Bulletin and Policy Guidance, “Bulletin 2022-04: 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>.

21 *Id.*

22 *Id.*

23 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.”).

24 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-repossessions-and-loan-servicing-breakdowns/>.

25 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>.

26 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>.

The CFPB has also rescinded guidance<sup>27</sup> on “Mitigating Harm From Repossession of Automobiles,” which had provided information, best practices, and examples of potential violations related to auto repossessions.<sup>28</sup>

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 the following data on both a monthly and annual basis unless otherwise noted. Please limit your responses to personal automobiles.
  - a. Does Toyota Financial Services service its own loans or hire a third party to service the loans? If Toyota Financial Services hires a third party, please provide the name(s) of those third parties who service Toyota Financial Services’ loans.
  - b. How many personal automobiles has Toyota Financial Services ordered to be repossessed?
    - i. How many were repossessed directly by Toyota Financial Services?
    - ii. How many involved the direct hiring of an outside party to complete the repossession?
    - iii. How many involved hiring a forwarder who in turn hired an outside party to complete the repossession?
  - c. If applicable, how many assignments has Toyota Financial Services issued?
  - d. How many repossession events related to Toyota Financial Services’ loans involved either: i) towing or attempting to tow the incorrect personal automobile due to an error by Toyota Financial Services or Toyota Financial Services’ employees or contractors, or ii) towing or attempting to tow a personal automobile that was later determined to be an error due to an error by an outside entity directly or indirectly hired by Toyota Financial Services.
    - i. For each error, please provide: i) the date of the event, ii) a description of the error, iii) how the error was identified, and iv) how the error was resolved.
  - e. How many repossession events related to Toyota Financial Services’ loans involved a consumer making a formal or informal complaint or claim that a repossession was in error, even if Toyota Financial Services disagreed?
    - i. On an annual basis, what are the most common reasons consumers believe the repossession to be in error? Please list the top 5 reasons provided by consumers.
      1. Provide further information on how these situations were resolved to include: i) timeline of resolution, ii) the ultimate resolution of such situations, and iii) how often these processes include a

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

28 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>.


consumer lodged complaint with a government agency, the Better Business Bureau, or other third party.

- f. How often does Toyota Financial Services handle a situation in which there is a dispute between Toyota Financial Services and the consumer about the terms of an agreement, particularly following a loan modification or other arrangement? Please discuss how often such situations relate to COVID era modifications.
        - g. How many repossessions occur for loans where a consumer has made a formal or informal complaint or claim that there was a material problem with the underlying transaction?
        - h. How many complaints or claims has Toyota Financial Services received from consumers regarding the behavior of the initial seller of a vehicle? Provide data on the resolution of such complaints to include i) how many of such complaints Toyota Financial Services receives, ii) the most common types of complaints, iii) the resolution of such complaints, and iv) Toyota Financial Services' policies to ensure it is in compliance with the FTC Holder Rule.
2. What steps does Toyota Financial Services take to ensure that its agents, or agents of its servicers, only tow or attempt to tow the correct personal automobile? Please describe and provide any training materials, process guides, or manuals, as appropriate.
  - a. Does Toyota Financial Services employ GPS monitors or other similar electronic devices that allow Toyota Financial Services to locate a vehicle in the event of repossession? If so, please provide information regarding the use of such devices.
  - b. Does Toyota Financial Services employ kill switches or other similar electronic devices, including starter interrupter devices, that allow Toyota Financial Services to disable a vehicle in the event of repossession? If so, please provide information regarding the use of such devices.
    - i. Has Toyota Financial Services ever used such kill switches or other electronic devices for any purposes other than to complete a repossession?
    - ii. Has Toyota Financial Services ever used any other device to remind or encourage consumers to make payments including but not limited to devices that make noise to remind customers to pay?
3. What policies does Toyota Financial Services have in place to identify and address repossessions made in error?
  - a. If your company identifies an error, what steps are made to rectify that error?
  - b. If your company receives a complaint from an individual that their car was repossessed as the result of an error, how does it address these complaints?
  - c. Does your company provide compensation for any physical damage or monetary costs as a result of repossessions made in error? If so, please provide the total number of claims ending in compensation on an annual basis between 2022 and 2025 and the average amount of compensation provided.
  - d. If a consumer believes a repossession to have been made in error and Toyota Financial Services disagrees, how does Toyota Financial Services handle such claims? Provide any policies that govern such incidents.

- e. If a consumer makes a complaint or claim that there was a material problem in the underlying transaction, how does Toyota Financial Services handle such claims? Provide any policies that govern such incidents.
4. What are currently Toyota Financial Services', or as appropriate Toyota Financial Services' servicers, five largest contracts for auto repossessions? Please provide the party name, term of contract, and any material terms to include estimated number of repossessions, payment terms, and required actions to avoid errors.
5. Please describe if Toyota Financial Services has policies and practices for personal property that is in a personal automobile that was repossessed. Please provide any supporting training materials, handbooks, or manuals.

I thank you for your attention to this matter.

Sincerely,



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