



February 4, 2014

The Honorable Joseph F. Vallario, Jr.
Chair
Maryland House Judiciary Committee
101 House Office Building
6 Bladen Street
Annapolis, MD 21401

Re: HB 289 – Automatic Motor Vehicle Registration Plate Readers and Captured Plate Data – Authorized Uses

Dear Delegate Vallario:

I am writing on behalf of the American Financial Services Association (AFSA),¹ to register our serious concerns with House Bill 289, which would prohibit the use of automatic registration plate reader (ALPR) systems, except by law enforcement agencies for certain purposes, and restrict the sharing and retention of captured plate data.

We believe that HB 289, if enacted, would have a significant impact on the use of a technology that is lauded by law enforcement agencies for its vital role in identifying vehicles used in crimes and assisting in the pursuit and capture of fugitives like the Boston Marathon bombing suspects, the rescue of kidnapped victims and the recovery of stolen vehicles.² Our particular interest in the bill, however, is the negative impact it would have on ALPR's valuable role in our industry – the ability to identify and recover vehicles associated with owners who have defaulted on their loans and are not responding to good-faith efforts to contact them.

The purpose of license plates is identification. While consumers certainly have a reasonable expectation of privacy inside their homes, there is no reasonable expectation of privacy in identifying a publically-displayed plate issued by the state for the very purpose of identifying that vehicle. Furthermore, this technology only records the date, time and location of where a photograph was taken. It does not contain personally identifiable information, which is protected by the Federal Driver's Privacy Protection Act.³

The ability to recover vehicles associated with defaulted loans for a period of months is vital to the vehicle finance industry. In recent years, the number of vehicles repossessed has increased, largely due to ALPR technology. This has had significant value for vehicle finance providers, particularly during the economic downturn. A prohibition on the use of this technology by private entities would adversely affect the recovery of vehicles in cases where they should be repossessed, which would increase the cost of financing a vehicle in the state of Maryland for consumers who pay their bills on time. As would restrictions on how long data can be kept, because access to historical data is important in determining where hard-to-find vehicles are likely located.

¹ The American Financial Services Association is the national trade association for the consumer credit industry, protecting access to credit and consumer choice. AFSA member financial institutions offer vehicle financing, cards, personal installment loans and mortgage loans. The Association encourages and maintains ethical business practices and supports financial education for consumers of all ages.

² Fox News, *ACLU Wants New Rules for Tech Reportedly Used to Catch Boston Bombers*, at <http://www.foxnews.com/tech/2013/11/05/aclu-wants-to-ban-tech-used-to-catch-boston-bombers> (November 5, 2013); MLive.com, *Grand Rapids Police say automatic license-plate reader leads to crime suspects, parking scofflaws*, at http://www.mlive.com/news/grand-rapids/index.ssf/2013/11/grand_rapids_police_say_automa.html (November 19, 2013).

³ Federal Driver's Privacy Protection Act of 1994, 18 U.S.C. §2721 et seq.

ALPR systems save time and effort in the repossession process – which translates to cost savings for vehicle finance companies and consumers. It reduces the financial risk to the creditor of making the loan, helps reduce asset depreciation, and thus helps to keep loan prices low and allows a broader field of consumers to access vehicle credit.

AFSA understands concerns about privacy and the vehicle finance industry is committed to vigorously maintaining the privacy of consumers. We believe, however, that HB 289's restrictions on private companies' use of license plate readers and the retention of data unnecessarily impedes a vehicle finance company's ability to locate and repossess vehicles, because this technology in no way violates a consumer's reasonable expectation of privacy.

We respectfully request that you give our concerns due consideration. If you have further questions, I can be contacted by phone 952-922-6500 or email dfagre@afsamail.org.

Respectfully,

A handwritten signature in black ink, appearing to read 'Danielle Fagre Arlowe', written in a cursive style.

Danielle Fagre Arlowe
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