



March 15, 2019

Representative Brad Drake  
Chair, Transportation and Infrastructure Subcommittee  
209 House Office Building  
402 South Monroe St.  
Tallahassee, FL 32399-1300

**Re: House Bill 347 –Notification Requirements for Tow Companies**

Dear Chairman Drake:

I write on behalf of the American Financial Services Association (“AFSA”)<sup>1</sup> to express our support for HB 347, which would amend state law related to liens on motor vehicles. This bill will make positive changes to help combat Florida’s growing lien fraud issue, keeping costs down for lienholders and borrowers across the state.

Under existing law, a towing company may place a lien on a vehicle for transportation and storage of the vehicle. Within seven days of storing the vehicle, the towing company must notify all owners and lienholders of the status of the vehicle and the amount due. A lienholder has 35 to 50 days, depending on the age of the vehicle, to pay the amount due on the lien. After that period, the vehicle may be sold in a public sale. Unfortunately, some towing providers throughout the state have abused this process by fraudulently placing liens on vehicles and selling vehicles without properly notifying existing lienholders of the new lien. The towing company could subsequently ignore the requirement to hold a public sale and instead sell the vehicle at a steep discount to a known associate, which amounts to outright theft of the vehicle.

This type of lien fraud costs consumers and vehicle finance companies tens of millions of dollars every year and raises the cost of credit for all consumers, even those not directly affected by specific instances of fraud. By requiring towing companies to send their notices through a third-party mailing service, HB 347 would ensure lienholders receive the notice in a timely manner and provide a safeguard against fraud. This bill would give vehicle finance companies more options to detect and fight against fraudulent liens and pursue damages when fraud occurs, keeping costs down for all consumers in the state.

If you have any questions or would like to discuss this further, please do not hesitate to contact me at 952-922-6500 or [dfagre@afsamail.org](mailto:dfagre@afsamail.org).

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<sup>1</sup> Founded in 1916, the American Financial Services Association (AFSA), based in Washington, D.C., is the primary trade association for the consumer credit industry, protecting access to credit and consumer choice. AFSA members provide consumers with many kinds of credit, including direct and indirect vehicle financing, traditional installment loans, mortgages, payment cards, and retail sales finance. AFSA members do not provide payday or vehicle title loans.

Sincerely,

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

Danielle Fagre Arlowe  
Senior Vice President, State Government Affairs  
American Financial Services Association  
919 Eighteenth Street, NW, Suite 300  
Washington, DC 20006-5517