



February 11, 2019

Representative Bob Rommel  
Chair, Civil Justice Subcommittee  
417 House Office Building  
402 South Monroe St.  
Tallahassee, FL 32399-1300

**Re: House Bill 431 – Motor Vehicle Lien Fraud**

Dear Chairman Rommel:

I write on behalf of the American Financial Services Association (“AFSA”)<sup>1</sup> to express our support for HB 431, 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 service or repair shop may hold a vehicle for at least 30 days and even claim another lien against the vehicle due to nonpayment for services. During this period, the service provider legally must notify all owners and lienholders of the amount due and may eventually hold a public auction for the sale of the vehicle following publication of a notice of sale. Unfortunately, some service providers throughout the state have abused this process by fraudulently placing liens on customers’ vehicles and selling vehicles without properly notifying existing lienholders of the new lien or vehicle sale. This fraud takes many forms; for example, a repair shop may initiate the process without even providing a service, but still bill the consumer and claim a lien against the vehicle. The provider could subsequently ignore the public auction and notification requirements 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 tightening existing laws related to fees and notice requirements and extending vehicle recovery rights—which are currently held only by the vehicle owner—to all existing lienholders, HB 431 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.

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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.

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.

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

cc: Speaker Jose R. Oliva  
Representative Jason Fischer