



April 8, 2020

Attorney General Maura Healey
Office of the Attorney General
One Ashburton Place
Boston, Massachusetts 02108-1598

Re: 940 CMR 35:00: Unfair and Deceptive Debt Collection Practices During the State of Emergency Caused by COVID-19

Dear Attorney General Healey:

I write on behalf of the American Financial Services Association (AFSA)¹ regarding your emergency debt collection regulations (940 CMR 35:00) issued on March 26, which outline unfair and deceptive debt collection practices during the COVID-19 emergency, including actions related to the repossession of a vehicle. AFSA members share your goal of providing relief to borrowers facing financial hardship due to the spread of COVID-19 and continue to take steps to work with borrowers to help them keep their vehicles during this emergency.

We appreciate your office's efforts to provide clarity with the April 3 guidance responding to frequently asked questions; however, in order to prevent significant market disruption and ensure that companies can continue to provide relief to those customers who need it most, we believe further clarification related to repossession is necessary, and we request verification of our understanding of the scope of the emergency regulations.

As we understand your regulations, we assume they are not intended to inhibit voluntary surrenders—which allow borrowers to voluntarily turn over a vehicle based on their own assessment of their financial situation and vehicle needs—or to prevent recovery of vehicles at risk due to mechanics liens, fraud, vehicles in impound lots in jeopardy of being sold, abandoned vehicles, seized vehicles, or in other cases where collateral may be in jeopardy. Leaving creditors without the ability to secure their collateral in instances where it may be at risk would cause a significant disruption in the vehicle finance market, with implications for larger financial markets due to existing securitization and master credit agreements. We believe verification of this important point would prevent such a market disruption.

Thank you for your attention to this matter. If you have any questions about how AFSA can be of any further assistance to you as you move forward, 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
American Financial Services Association
919 Eighteenth Street, NW, Suite 300
Washington, DC 20006-5517

¹ 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.