



May 27, 2020

The Honorable Mike Parson  
Governor of Missouri  
P.O. Box 720  
Jefferson City, MO 65102

**Re: Support of signing Missouri House Bill 1963**

Dear Governor Parson:

I write on behalf of the American Financial Services Association (AFSA)<sup>1</sup> to express our support for HB 1963, which passed the legislature on May 15 and is currently awaiting your signature. The bill would modernize current law governing vehicle titles to the benefit of consumers and industry alike.

Current law requires Missouri auto dealers to deliver a vehicle title to a consumer at the time of sale. If a dealer fails to deliver the title, the contract is deemed “fraudulent and void.” This outdated provision creates an unnecessary roadblock in the vehicle selling process and does not fit the modern-day reality of vehicle sales. HB 1963 modernizes Missouri law by permitting dealers to pass the vehicle title to the consumer *within thirty days* of delivery of the vehicle.

Auto dealers typically finance their inventory through floorplan creditors. As collateral, some floorplan creditors hold titles to vehicles purchased by the dealers to sell to consumers. Under current Missouri law, dealers must have a willing buyer identified and pay the floor plan lender in advance of the transaction with a consumer because dealers must have the physical title in hand at the time of sale. In every other state in the country, the dealer can pay the lender at the time of sale or immediately after the sale because they do not need to release the title to the consumer concurrently with the delivery of the vehicle to the consumer. Current law also prevents dealers that purchase vehicles from auctions from expeditiously selling their vehicles. Both inventory financing and purchasing vehicles from an auction will be much improved for everyone involved if HB 1963 is enacted.

For these reasons, we urge you to sign HB 1963 into law. If you have any questions, or if AFSA can be of any further assistance to you, please do not hesitate to contact me at 952-922-6500 or [dfagre@afsamail.org](mailto: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

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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.