



April 29, 2020

Jason N. Montoya, P.E.
Interim Transportation Division Director
Public Regulation Commission
1120 Paseo De Peralta
P.O. Box 1269
Santa Fe, NM 87504

Re: Non-essential towing services

Dear Director Montoya:

I write on behalf of the American Financial Services Association (AFSA)¹ regarding the Public Regulation Commission's (PRC) April 14 memo to towing companies, which states that towing services for repossession purposes are deemed non-essential. While AFSA's membership does not include towing companies to which the memo was addressed, AFSA's financial institution members do rely on towing companies to provide essential services.

AFSA members share the state's goal of mitigating the spread of the virus and have taken steps accordingly to adjust operations to reach this goal. Despite operational adjustments, it is critical that financial institutions continue to have access to certain towing services in order to prevent significant market disruption and ensure that companies can continue to provide relief to those customers who need it most. Accordingly, we believe further clarification related to repossession services is necessary, and we request verification of our understanding of the PRC memo and the underlying public health order on which it relies.

First, we assume New Mexico does not intend to inhibit consumers' voluntary surrender of a vehicle, which allows borrowers to voluntarily turn over a vehicle based on their own assessment of their financial situation and vehicle needs. Though this technically falls under the category of repossession, it can be done without consumer contact and it is done at the consumer's request.

Second, we assume you do not intend to prevent creditors or lessors from securing vehicles at risk (subject to mechanics liens, fraud, impound, abandoned vehicles, seized vehicles, or other cases where the 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. It also wouldn't protect consumers, who would not have the vehicle in their control anyway at that point, and who stand to benefit if a total loss on

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.

the vehicle can be avoided.

Please correct us if we are mistaken in these two assumptions. We believe verification of these important points will help prevent a tremendous market disruption. If you have any questions, or if AFSA can be of any further assistance to you in any way, please do not hesitate to contact me at 952-922-6500 or dfagre@afsamail.org.

Thank you so much for your attention to this matter.

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

cc:

The Honorable Michelle Lujan Grisham, Governor
Director Christopher Moya, State of New Mexico Financial Institutions Division