

September 24, 2020

Matthew Nance  
Deputy General Counsel  
Office of Consumer Credit Commissioner  
2601 North Lamar Blvd.  
Austin, TX 78705

**Re: Precomment Draft Rule Review for Motor Vehicle Sales Finance Companies**

Dear Mr. Nance:

On behalf of the American Financial Services Association (AFSA),<sup>1</sup> thank you for the opportunity to comment on the OCCC's precomment draft rules for motor vehicle sales finance companies. We appreciate your commitment to modernizing and clarifying current rules so that licensees can serve Texas customers more effectively and your consideration of our previous comments throughout the MVSF rule review process.

We believe clear regulations with well-defined terms leave motor vehicle sales finance companies in the best position to understand the regulatory landscape and, in turn, operate within full compliance of the law. We do not have any general concerns with the proposed draft rules and support the proposed changes to Section 84.803, which will clarify conflicting language we identified in our previous comments.

Although these issues are not included in these draft rules, we reiterate our request from previous comments that the OCCC address lien release and remote work in the rule review process. On lien release, the ten-day requirement under Section 348.408 for consumer vehicle sales and 353.405 for commercial vehicle sales continues to create compliance challenges for motor vehicle sales finance companies. As it currently stands, lienholders face a serious and demonstrable risk of fraud, whereby liens are released only to have payments returned unpaid after the liens have already been released. We believe regulations allowing licensees to certify the legitimacy of funds will greatly reduce the opportunity for fraud.

With regard to remote work, we appreciate the steps the OCCC has already taken to temporarily authorize such activities for sales finance companies and other licensees throughout the emergency. It will continue to be in the best interest of consumers and employees to continue remote work well beyond the initial phases of pandemic and reopening. We believe that current licensing rules in Subchapter F of Chapter 84 should be updated to permanently authorize employees of licensees to work from their homes without the need to register their home as a

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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.

new office or set separate standards regarding data security and recordkeeping, as long as no customer information is kept at home, there are appropriate data security and privacy measures in place, and employees are not meeting consumers at their homes or otherwise holding out their homes as places of business.

Thank you for your consideration of our comments. 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](mailto:dfagre@afsamail.org).

Sincerely,



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