AUTOMATED LICENSE PLATE RECOGNITION

Automated License Plate Recognition (ALPR) technology was developed to assist law enforcement in identifying specific vehicles and their owners through a computerized license plate photography and analysis.

The vehicle finance industry—including American Financial Services Association (AFSA) members or their agents—uses this technology to rapidly identify and recover vehicles owned by individuals who have defaulted on their loans and are not responding to good-faith efforts to contact them. It is highly efficient and saves time and effort in the repossession process – lowering costs for vehicle finance companies. By reducing the financial risk to the financial institution in extending credit, ALPR helps to keep loan prices low and allows a broader field of consumers to access vehicle credit.

ALPR has been criticized in its repossession role as an unwarranted invasion of privacy. Many believe, however, that as the purpose of license plates is to identify a vehicle and by extension, its owner, ALPR is nothing more than a more efficient way of doing something that is necessary when a borrower defaults on a loan and refuses to communicate with a lender.

ALPR technology records the date, time and location of where a photograph was taken. It does not contain personally identifiable information, which is protected by the Federal Driver's Privacy Protection Act.[1] Furthermore, while consumers certainly have a reasonable expectation of privacy inside their homes, there is no reasonable expectation of privacy in identifying a publicly-displayed tag issued by the state for the very purpose of identifying that vehicle.

These arguments and others made by those that believe that ALPR does, indeed, violate an individual's right to privacy, have been debated in public policy circles at the state level, with policymakers being called upon to legislate to create an optimum policy environment for ALPR technology.

AFSA'S POSITION

AFSA has significant concerns about laws that limit the use of ALPR technology. It plays a vital role in fighting crime, capturing fugitives, and rescuing victims of kidnapping, and can also be used to locate stolen or abandoned vehicles. Privacy concerns, though always respected by AFSA members, do not, in the case of ALPR technology, rise to the level at which ALPR should be prohibited for the recovery of vehicles whose owners are failing to honor their obligations to pay what they owe. AFSA urges policymakers to look carefully at the pros and cons of any legislation or regulations that would limit the use of this valuable technology.

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[1] Federal Driver's Privacy Protection Act of 1994, 18 U.S.C. §2721 et seq.