



November 29, 2017

Ms. Laurie Hobbs
Assistant General Counsel
Texas Office of Consumer Credit Commissioner
2601 N. Lamar Blvd.
Austin, TX 78705

Re: Precomment Draft Motor Vehicle Recordkeeping Rule Amendments

Dear Ms. Hobbs:

On behalf of the American Financial Services Association (“AFSA”),¹ thank you for the opportunity to comment on the Office of Consumer Credit Commissioner’s (OCCC) precomment rule amendments relating to recordkeeping for motor vehicle sales finance licensees released on November 15, 2017.

While we applaud the OCCC’s intent to providing clarity and specificity for licensees, we believe the proposed amendments for holders taking assignment of retail installment sales contracts (§84.709), specifically those regarding debt cancellation agreements and Gramm-Leach-Bliley privacy notices, are unnecessarily burdensome and would not provide any added consumer benefit.

Debt Cancellation Agreements

With regard to the requirements for debt cancellation agreements, we request that the OCCC require an assignee to maintain only those pages unique to an individual customer’s agreement, which is typically limited to the first page of the agreement and contains the customer and transaction information along with customer signatures. The terms and conditions on the remaining pages are the same for each customer with that agreement and not unique to an individual customer’s file. Requiring an assignee to maintain the entire contract would create additional costs for imaging and storage of thousands and thousands of duplicative pages of records. Under the proposed rule amendments to Section 84.707, retail sellers would be required to maintain a complete copy of each agreement, meaning an assignee could also contact a retail seller to obtain a complete copy, if needed.

Assignees neither sell nor administer the debt cancellation agreements and refer customers to the product administrator or the retail seller if a customer has questions. Further, assignees finance debt cancellation agreements from multiple different providers and would not have a reasonable

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.

means of controlling to ensure that they have in fact received all pages of the contract for each transaction. For example, a retail seller could very easily send only a partial agreement or the imaging vendor might only image part of the contract, and the assignee has no way of knowing that one provider's contract has four pages while another contract from a different provider only has three.

Gramm-Leach-Bliley Privacy Notices

Privacy notices sent to consumers under the Gramm-Leach-Bliley Act are not unique to an individual consumer's account file. Companies maintain one static document sent to each consumer. Requiring a company to image and maintain a separate copy of each privacy notice sent—when such notices are identical—would be unnecessarily duplicative, with no added consumer benefit or evidence that notices were sent. Accordingly, we request that the proposed rule be modified to require that companies only maintain one privacy notice identical to the version sent to consumers.

Delayed Effective Date

The proposed rule changes would require numerous updates to existing systems. Therefore, we request that, if any proposed amendments are adopted, the rules include a delayed effective date, at least six months after adoption, which will allow affected financial institutions adequate time to implement the required changes, including system enhancements, dealer communication, and several other necessary items.

Thank you in advance for your consideration. We appreciate the opportunity to work with the OCC throughout the rulemaking process. If you have any questions or would like to discuss this further, please do not hesitate to contact me at 952-922-6500 or dfagre@afsamail.org.

Sincerely,



Danielle Fagre Arlowe
Senior Vice President, State Government Affairs
American Financial Services Association
919 Eighteenth Street, NW, Suite 300
Washington, DC 20006-5517