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# Vehicle Repossession, Redemption, and Sale Discussion

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# Pennsylvania Requirements

In Pennsylvania, in the event of a default by buyer, the seller (or assignee) may repossess the collateral. In Pennsylvania, no prior notice to the debtor is required before repossession of the car takes place. If the collateral is repossessed, notices are required under Pennsylvania Code §6254, and the buyer has a 15 day redemption period.

## **Breach Of Peace**

Lenders in Pennsylvania are required to not breach the peace when repossessing a car. Cars parked on the street, in a driveway or in a public parking lot may be repossessed by the lender. However, if the car is housed inside a locked garage or gate, the lender may not enter by unlawful means to repossess the vehicle. Lenders may not repossess a vehicle unless there is an agreement in writing that clearly states the lender can repossess the vehicle if the debtor fails to make the agreed upon payments. Lenders who breach the peace during a car repossession may lose the right in court to sue a debtor for any deficiencies that arise from the sale of the vehicle.

## **Notice of Repossession**

Once a vehicle is repossessed the creditor must provide notice of the repossession by personal service or certified mail to the last known address of the buyer. The Notice must advise of (1) the right to reinstatement and redemption (2) An itemized statement of the amount required to redeem and payoff the loan including name and address of where to make payment (3) Notice of the intent to sell (4) the location of the vehicle (5) identification of any personal property and rights to retrieve for a period of 30 days.



# Pennsylvania Requirements

## **Sales/Property**

Once the lender has repossessed the car, a sale of the car may be scheduled. Pennsylvania law requires lenders to provide the debtor with a notice of sale at least 15 days prior to the sale of the car. This notice must provide the debtor with information in writing of the date, time and location of the scheduled sale. Lenders must return the license plates of the car to the registered owner.

## **Redemption**

Debtors in Pennsylvania have the right to redeem the car, if they can pay the entire amount of the loan before the scheduled sale of the vehicle. The debtor must also pay any fees incurred during the repossession of the car, attorney's fees and storage fees for the car. Once the vehicle has been sold, it is too late for the debtor to attempt to redeem it.

## **Reinstatement**

Debtor has right to reinstate the loan and receive a return of the vehicle. The Debtor must pay all past due installments, late charges, costs of any replevin action, repossession costs (including repair and storage). Lender does not have the right to demand anything more than past due installments if the default at the time of repossession did not exceed 15 days.



# Pennsylvania Requirements

## **Deficiency**

Debtors are required by law to pay any deficiencies that occur after the sale of a repossessed vehicle. If the lender sells the car but does not have enough to pay off the entire balance of the loan, a deficiency is created. Lenders are allowed by Pennsylvania law to sue a debtor for any deficiencies that may occur after the sale of the car. Lender is required to provide Debtor with a deficiency notice within 30 days by personal service or certified mail which must include (1) the sale price (2) itemized costs (3) the amount of the deficiency



# Maryland Requirements

In Maryland, in the event of a default by buyer, the seller (or assignee) may repossess the collateral. In the Maryland, no prior notice to the debtor is required before repossession of the car takes place, however, if no Notice of Intent to Repossess was sent, deficiency restrictions may apply. If the collateral is repossessed, notices are required under Maryland Code §9-101 et. Seq., and the buyer may redeem or reinstate prior to the sale (which exceptions).

## **Breach Of Peace**

Lenders in Maryland are required to not breach the peace when repossessing a car. Cars parked on the street, in a driveway or in a public parking lot may be repossessed by the lender. However, if the car is housed inside a locked garage or gate, the lender may not enter by unlawful means to repossess the vehicle. Lenders may not repossess a vehicle unless there is an agreement in writing that clearly states the lender can repossess the vehicle if the debtor fails to make the agreed upon payments. Lenders who breach the peace during a car repossession may lose the right in court to sue a debtor for any deficiencies that arise from the sale of the vehicle.

## **Notice of Repossession**

Once a vehicle is repossessed the creditor must provide notice of the repossession by personal service or certified mail to the last known address of the buyer within 5 days. The Notice must state (1) The right of the consumer borrower to redeem the tangible personal property, and the amount payable for it; (2) The rights of the consumer borrower as to a resale, and his liability for a deficiency (3) The exact location where the tangible personal property is stored and the address where any payment is to be made.



# Maryland Requirements

## **Sales/Property**

Once the lender has repossessed the car, a sale of the car may be scheduled. Maryland law requires lenders to provide the debtor with a notice of sale at least 10 days prior to the sale of the car. This notice must provide the debtor with information in writing of the date, time and location of the scheduled sale.

## **Redemption**

Debtors in Maryland have the right to redeem the car, if they can pay the entire amount of the loan prior to sale of the vehicle. The debtor must also pay any fees incurred during the repossession of the car, attorney's fees and storage fees for the car. Once the vehicle has been sold, it is too late for the debtor to attempt to redeem it.

## **Reinstatement**

Debtor has right to reinstate the loan and receive a return of the vehicle. The Debtor must pay all past due installments, late charges, costs of any replevin action, repossession costs (including repair and storage). Lender does not have the right to demand anything more than past due installments if the default at the time of repossession did not exceed 15 days. The Debtor does not have a right to reinstate if the vehicle was previously repossessed and reinstated within the last 18 months



# Maryland Requirements

## **Deficiency**

Debtors are required by law to pay any deficiencies that occur after the sale of a repossessed vehicle. If the lender sells the car, but does not have enough to pay off the entire balance of the loan, a deficiency is created. Lenders are allowed by Maryland law to sue a debtor for any deficiencies that may occur after the sale of the car. Lender is required to provide Debtor with a deficiency notice within 14 days by personal service or certified mail which must include (1) the sale price (2) itemized costs (3) the amount of the deficiency (4) a telephone number to contact for additional information

# District of Columbia Requirements

In the District of Columbia, in the event of a default by buyer, the seller (or assignee) may repossess the collateral. In the District of Columbia, no prior notice to the debtor is required before repossession of the car takes place (unless the default is not more than 15 days past due). If the collateral is repossessed, notices are required under DC Code §341.1 et. Seq., and the buyer may redeem or reinstate prior to the sale.

## **Breach Of Peace**

Lenders in D.C. are required to not breach the peace when repossessing a car. Cars parked on the street, in a driveway or in a public parking lot may be repossessed by the lender. However, if the car is housed inside a locked garage or gate, the lender may not enter by unlawful means to repossess the vehicle. Lenders may not repossess a vehicle unless there is an agreement in writing that clearly states the lender can repossess the vehicle if the debtor fails to make the agreed upon payments. Lenders who breach the peace during a car repossession may lose the right in court to sue a debtor for any deficiencies that arise from the sale of the vehicle.

## **Notice of Repossession**

Once a vehicle is repossessed the creditor must provide notice of the repossession by personal service or certified mail to the last known address of the buyer. The Notice must advise of (1) the right of redemption (2) the amount due and payable (3) the buyer's rights with respect to resale of the vehicle (4) the buyer's liability for a deficiency upon resale (5) the exact address where the vehicle is stored and (6) where any payment is to be made or notice delivered.



# District of Columbia Requirements

## **Sales/Property**

Once the lender has repossessed the car, a sale of the car may be scheduled. D.C. law requires lenders to provide the debtor with a notice of sale at least 15 days prior to the sale of the car. This notice must provide the debtor with information in writing of the date, time and location of the scheduled sale.

## **Redemption**

Debtors in D.C. have the right to redeem the car, if they can pay the entire amount of the loan prior to sale of the vehicle. The debtor must also pay any fees incurred during the repossession of the car, attorney's fees and storage fees for the car. Once the vehicle has been sold, it is too late for the debtor to attempt to redeem it.

## **Reinstatement**

Debtor has right to reinstate the loan and receive a return of the vehicle. The Debtor must pay all past due installments, late charges, costs of any replevin action, repossession costs (including repair and storage). Lender does not have the right to demand anything more than past due installments if the default at the time of repossession did not exceed 15 days.



# District of Columbia Requirements

## **Deficiency**

Debtors are required by law to pay any deficiencies that occur after the sale of a repossessed vehicle. If the lender sells the car, but does not have enough to pay off the entire balance of the loan, a deficiency is created. Lenders are allowed by D.C. law to sue a debtor for any deficiencies that may occur after the sale of the car. Lender is required to provide Debtor with a deficiency notice within 30 days by personal service or certified mail which must include (1) the sale price (2) itemized costs (3) the amount of the deficiency



# Virginia Requirements

In Virginia, in the event of a default by buyer, the seller (or assignee) may repossess the collateral. In the Virginia, no prior notice to the debtor is required before repossession of the car takes place. If the collateral is repossessed, notices are required under Virginia Code §8.9A613 et. Seq., and the buyer may redeem or reinstate prior to the sale.

## **Breach Of Peace**

Lenders in Virginia are required to not breach the peace when repossessing a car. Cars parked on the street, in a driveway or in a public parking lot may be repossessed by the lender. However, if the car is housed inside a locked garage or gate, the lender may not enter by unlawful means to repossess the vehicle. Lenders may not repossess a vehicle unless there is an agreement in writing that clearly states the lender can repossess the vehicle if the debtor fails to make the agreed upon payments. Lenders who breach the peace during a car repossession may lose the right in court to sue a debtor for any deficiencies that arise from the sale of the vehicle.

## **Notice of Repossession**

Once a vehicle is repossessed the creditor must provide notice of the repossession by personal service or certified mail to the last known address of the buyer. The Notice must (1) describe the debtor and the secured party (2) describe the collateral (3) state the method of intended disposition (4) state the entitlement to an accounting (5) state the time and place of disposition or the time after which a private disposition is to be made (6) describe the liability for a deficiency; (7) provide a telephone number from which the amount for redemption and reinstatement can be obtained; and (8) provide a telephone number or mailing address from which additional information is available.



# Virginia Requirements

## **Sales/Property**

Once the lender has repossessed the car, a sale of the car may be scheduled. Virginia law requires lenders to provide the debtor with a notice of sale at least 10 days prior to the sale of the car. This notice must provide the debtor with information in writing of the date, time and location of the scheduled sale.

## **Redemption**

Debtors in Virginia have the right to redeem the car, if they can pay the entire amount of the loan prior to sale of the vehicle. The debtor must also pay any fees incurred during the repossession of the car, attorney's fees and storage fees for the car. Once the vehicle has been sold, it is too late for the debtor to attempt to redeem it.

## **Reinstatement**

Debtor has right to reinstate the loan and receive a return of the vehicle. The Debtor must pay all past due installments, late charges, costs of any replevin action, repossession costs (including repair and storage). Lender does not have the right to demand anything more than past due installments if the default at the time of repossession did not exceed 15 days.



# Virginia Requirements

## **Deficiency**

Debtors are required by law to pay any deficiencies that occur after the sale of a repossessed vehicle. If the lender sells the car, but does not have enough to pay off the entire balance of the loan, a deficiency is created. Lenders are allowed by Virginia law to sue a debtor for any deficiencies that may occur after the sale of the car. Lender is required to provide Debtor with a deficiency notice within 14 days by personal service or certified mail which must include (1) the sale price (2) itemized costs (3) the amount of the deficiency (4) a telephone number to contact for additional information



# Florida Requirements

In Florida, in the event of a default by buyer, the seller (or assignee) may repossess the collateral. In Florida, no prior notice to the debtor is required before repossession of the car takes place. If the collateral is repossessed, notices are required under Florida Code 537.012, and the buyer has a 10 day redemption period prior to sale.

## **Breach Of Peace and Repossession**

Lenders in Florida are required to not breach the peace when repossessing a car. Cars parked on the street, in a driveway or in a public parking lot may be repossessed by the lender. However, if the car is housed inside a locked garage or gate, the lender may not enter by unlawful means to repossess the vehicle. Lenders may not repossess a vehicle unless there is an agreement in writing that clearly states the lender can repossess the vehicle if the debtor fails to make the agreed upon payments. Lenders who breach the peace during a car repossession may lose the right in court to sue a debtor for any deficiencies that arise from the sale of the vehicle.

In Florida, two different types of individuals may repossess your car. First, a lender may hire a repossession agency. Repossession agencies must be licensed by the Florida Department of Agriculture and Consumer Services (FDACS). An employee of the legal owner (probably the bank or the dealership) may also repossess the property; they don't have to be licensed by the FDACS.



# Florida Requirements

## **Sales/Property**

Once the lender has repossessed the car, a sale of the car may be scheduled. Florida law requires lenders to provide the debtor with a notice of sale at least 10 days prior to the sale of the car. This notice must provide the debtor with information in writing of the date, time and location of the scheduled sale. Debtor may also demand sale of vehicle.

## **Redemption**

Debtors in Florida have the right to redeem the car, if they can pay the entire amount of the loan before the scheduled sale of the vehicle. The debtor must also pay any fees incurred during the repossession of the car, attorney's fees and storage fees for the car with a money order or certified check. Once the vehicle has been sold, it is too late for the debtor to attempt to redeem it.

## **Reinstate the Loan**

Debtor has right to reinstate the loan and receive a return of the vehicle. The Debtor must pay all past due installments, late charges, costs of any replevin action, repossession costs (including repair and storage). Debtor's loan agreement may or may not include provisions for reinstatement, but Florida law protects a Debtors right to reinstate the loan even after repossession, until the property is sold or otherwise disposed of. If a Debtor falsified information on your loan agreement, hid the car, used it to commit a crime, damaged the vehicle, or threatened violence against the repossession agent, a Debtor loses the right to reinstate the loan. In addition, a Debtor can only reinstate a loan once every 12 months and a maximum of twice over the course of the loan



# Florida Requirements

## **Return of Personal Items**

Lender must return any personal property that's left inside the vehicle, following payment of reasonable inventory and storage fees. If a debtor does not claim their property in 45 days, the lender may dispose of it as lender wishes. Lender must also keep records of the contents for two years, and turn over any illegal items that lender finds to law enforcement.

## **Deficiency**

Debtors are required by law to pay any deficiencies that occur after the sale of a repossessed vehicle. If the lender sells the car, but does not have enough to pay off the entire balance of the loan, a deficiency is created. Lenders are allowed by Florida law to sue a debtor for any deficiencies that may occur after the sale of the car with 30 days from the date of the sale



# California Requirements

In California, in the event of a default by buyer, the seller (or assignee) may file suit for the amount owed, or repossess the collateral. If the collateral is repossessed, notices are required under California Civil Code Section 1812.2, and the buyer has a 15 day redemption period.

## **Breach of Peace**

Only peaceful possession is allowable to recovery collateral. Further, CA law specifically prohibits any contract clause permitting the creditor “to enter upon the buyer’s premises unlawfully.”

## **Notice of Intent to Sell**

Notwithstanding any contrary provision in the contract, a seller who intends to resell after repossession must give 15 days' written notice (which may be personally served or sent by certified or first-class mail) to all persons liable on the contract. The period is extended to 20 days if either the place of mailing or the place of address is outside the state. During this period and before sale, those persons “have a right to redeem the motor vehicle by paying in full the indebtedness evidenced by the contract.” (C.C. 2983.2(a)(1))



# California Requirements

## **Content of Notice**

The notice of intent to sell must inform the consumer of any amounts the consumer will have to pay to the creditor or a third party in order to reinstate the contract. The notice must also inform the consumer if, when, and by how much those amounts may increase as a result of additional payments coming due, or as a result of late fees or other fees and charges. In other words, creditors must provide consumers with sufficient information to allow consumers to fulfill all of the conditions the consumer must meet before a creditor will reinstate the contract. (C.C. 2983.2 requires disclosure of “all the conditions precedent,”) However, notice of the time and place of the sale is not required.

## **Notice Details and Deficiency Judgment (Rees Levering Requirement)**

Persons liable on the contract will be liable for a deficiency after sale only if the notice of intent to sell has been given within 60 days of repossession and, in addition, does all of the following:

(a) Specifies that the right to redeem exists for 15 days from the date of giving or mailing the notice, provides an itemization of the contract balance and of any delinquency, collection, or repossession costs and fees, and sets forth the computation or estimate of the amount of any credit for unearned finance charges or cancelled insurance as of the date of the notice.

(b) States either that there is a conditional right to reinstate the contract within the 15-day period or that there is no such right, and states the reasons therefor.



## California Requirements

(c) States that, upon written request, the redemption period, and the reinstatement period if applicable, will be extended for an additional 10 days. (Proper forms and instructions must be provided by the seller or holder.)

(d) Discloses the place at which the motor vehicle will be returned upon redemption or reinstatement.

(e) Designates the name and address of the person or office to whom payment must be made.

(f) States that the seller or holder will dispose of the vehicle on expiration of the 15-day period (20 days if either the place of mailing or the place of address is outside the state) and that, if a request to extend the redemption or reinstatement has been made, extension will be made without further notice.

(g) Informs persons liable on the contract that, on written request (with specified mailing instructions), those persons will be furnished a written accounting regarding the disposition of the vehicle.

(h) Includes the following notice in at least 10-point boldface type if printed: “NOTICE. YOU MAY BE SUBJECT TO SUIT AND LIABILITY IF THE AMOUNT OBTAINED UPON DISPOSITION OF THE VEHICLE IS INSUFFICIENT TO PAY THE CONTRACT BALANCE AND ANY OTHER AMOUNTS DUE.”

(i) Informs persons liable on the contract that, on disposition of the motor vehicle, they will be liable for the deficiency balance, plus interest at the contract rate, or at the legal rate of interest if there is no contract rate of interest, from the date of disposition to the date of entry of judgment.



# California Requirements

## **Content of Notice**

The notice of intent to sell must inform the consumer of any amounts the consumer will have to pay to the creditor or a third party in order to reinstate the contract. The notice must also inform the consumer if, when, and by how much those amounts may increase as a result of additional payments coming due, or as a result of late fees or other fees and charges. In other words, creditors must provide consumers with sufficient information to allow consumers to fulfill all of the conditions the consumer must meet before a creditor will reinstate the contract. (C.C. 2983.2 requires disclosure of “all the conditions precedent,”) However, notice of the time and place of the sale is not required.

## **Notice Details and Deficiency Judgment (Rees Levering Requirement)**

Persons liable on the contract will be liable for a deficiency after sale only if the notice of intent to sell has been given within 60 days of repossession and, in addition, does all of the following:

(a) Specifies that the right to redeem exists for 15 days from the date of giving or mailing the notice, provides an itemization of the contract balance and of any delinquency, collection, or repossession costs and fees, and sets forth the computation or estimate of the amount of any credit for unearned finance charges or cancelled insurance as of the date of the notice.

(b) States either that there is a conditional right to reinstate the contract within the 15-day period or that there is no such right, and states the reasons therefor.



## California Requirements

(c) States that, upon written request, the redemption period, and the reinstatement period if applicable, will be extended for an additional 10 days. (Proper forms and instructions must be provided by the seller or holder.)

(d) Discloses the place at which the motor vehicle will be returned upon redemption or reinstatement.

(e) Designates the name and address of the person or office to whom payment must be made.

(f) States that the seller or holder will dispose of the vehicle on expiration of the 15-day period (20 days if either the place of mailing or the place of address is outside the state) and that, if a request to extend the redemption or reinstatement has been made, extension will be made without further notice.

(g) Informs persons liable on the contract that, on written request (with specified mailing instructions), those persons will be furnished a written accounting regarding the disposition of the vehicle.

(h) Includes the following notice in at least 10-point boldface type if printed: “NOTICE. YOU MAY BE SUBJECT TO SUIT AND LIABILITY IF THE AMOUNT OBTAINED UPON DISPOSITION OF THE VEHICLE IS INSUFFICIENT TO PAY THE CONTRACT BALANCE AND ANY OTHER AMOUNTS DUE.”

(i) Informs persons liable on the contract that, on disposition of the motor vehicle, they will be liable for the deficiency balance, plus interest at the contract rate, or at the legal rate of interest if there is no contract rate of interest, from the date of disposition to the date of entry of judgment.



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