

## REQUIREMENTS FOR DOING BUSINESS

Repossession agencies and their employees must be licensed by the Bureau of Security and Investigative Services (Bureau or BSIS) to engage in business or accept employment to locate or recover vehicles that are subject to a security agreement.<sup>2</sup>

Note: In some cases, a bank, financial lender, or other legal owner will send their own employees to recover the vehicle. Individuals employed directly by a bank, lender, or the legal owner of the vehicle are not required to be licensed as repossession agency employees.<sup>3</sup>

## HOW REPOSSESSIONS WORK

When a person has violated a condition(s) of the lease or loan agreement (e.g. being past due on the vehicle loan or lease payments, failure to maintain insurance, etc.), and efforts to correct the violation fail, the bank, financial lender, legal owner or their agents can contract with repossession agencies to locate and repossess the vehicle subject to the security agreement that contains the repossession clause.

Many of the activities carried out before, during, and after the repossession are regulated by State and federal laws.

## REINSTATING A VEHICLE CONTRACT AFTER REPOSSESSION

The Bureau has no jurisdiction over whether or not the vehicle's legal owner will reinstate your contract. If you obtain a reinstatement, you will need to provide the repossession agency a release from the legal owner stating that you may redeem your vehicle and proof of having paid the administrative filing fee to the police or sheriff's office, where the repossession was reported.<sup>8</sup>

Please note that in some cases you may not get your vehicle back after it has been repossessed.

**DRAFT**

# CONSUMER GUIDE TO VEHICLE<sup>1</sup> REPOSSESSION

## LICENSE SEARCH

To verify a repossession agency license or repossession employee registration, visit [www.breeze.ca.gov](http://www.breeze.ca.gov) and click on "Verify a License."

## FILE A COMPLAINT

To file a complaint against a repossession agency or employee, visit [www.breeze.ca.gov](http://www.breeze.ca.gov) and select "File a Complaint." Or contact the Department of Consumer Affairs' Consumer Information Center at (800) 952-5210 and request a complaint form.

STATE OF CALIFORNIA



DEPARTMENT OF CONSUMER AFFAIRS

BUREAU OF SECURITY AND INVESTIGATIVE SERVICES  
2420 Del Paso Rd., Ste. 270  
Sacramento, CA 95834

BUREAU OF SECURITY AND INVESTIGATIVE SERVICES

# WHAT YOU SHOULD KNOW IF YOUR VEHICLE IS BEING REPOSSESSED

- You have a right to request proof that the individual carrying out the repossession is currently licensed as a repossession agency, qualified manager, or agent.
- A repossession licensee or its agent has the authority to repossess a vehicle in public areas with no restricted access. A repossession licensee or its agent does not have the authority to enter a private building or a secured area without the consent of the property owner or the person in lawful control of the private property to repossess a vehicle. A secured area means any place that is fenced and locked. For example, a repossession agent or licensee:
  1. Can enter a parking lot or garage open to the public, even if it is privately owned, to repossess a vehicle.
  2. Can enter a gated community with unrestricted entrance(s) and open to the public to repossess a vehicle.
  3. Cannot enter a gated community with entrance(s) that restrict public access to repossess a vehicle without the consent of the property owner or person in lawful control of the property.
  4. Cannot enter the garage of a person's residential home to repossess a vehicle without consent of the property owner or person in lawful control of the property (e.g., renter).



5. Cannot enter the private property of a person's residential home that is surrounded by a secured fence and gate to repossess a vehicle without the consent of the property owner or person in lawful control of the property (e.g., renter).

- A repossession licensee or its agent CAN repossess your vehicle whether or not you are present.
- A repossession licensee or its agent IS NOT REQUIRED to allow you to remove your personal property from the vehicle at the time of the repossession. However, it is not prohibited so you should ask if it would be permissible to remove your personal property from the vehicle. Further, the licensee or its agent MUST inventory all personal effects found in the vehicle, except for those personal effects that the licensee or agent allowed to be removed at the time of the repossession, within the timeframes specified by law and store the personal effects for a minimum of 60 days.<sup>4</sup>
- A repossession agency MAY discard any personal effects not claimed after 60 days, but must keep the inventory list along with information on how the effects were disposed of on file for four years.<sup>4</sup>
- A repossession agency MUST provide you with a notice, within the timeframes specified by law, by mail or personal service, which includes:<sup>5</sup>
  - o The name, address, phone number of the vehicle's legal owner.
  - o The name, address, phone number of the repossession agency.
  - o Statements and disclosures as required by law about licensure requirements for repossession agencies and their employees, timeframes in which the notice is required to be provided

to you, damage to the vehicle during the repossession or while in the possession of the repossession agency, and if applicable, information about the handling of special license plates.

- o Storage charges for personal effects.
- A licensed repossession agency MUST either display its license number OR business name, address, and phone number on both the left and right side of its tow vehicle.<sup>6</sup> If a repossession agency chooses to display its license number, then the repossession agency is not required to display its business name, address, and phone number on the tow vehicle.
- A repossession licensee or its agent MUST notify local law enforcement within one hour of repossessing a vehicle. If contact is not made, continued attempts are required until the repossession is recorded with the local agency. Written notice to local law enforcement must also be made within one business day of the repossession.<sup>7</sup>

<sup>1</sup> While vehicles are the most commonly repossessed item of property, any personal property which is subject to a security agreement, furniture, appliances, jewelry, etc., can be repossessed. Personal property subject to a security agreement and which can be repossessed is called "collateral" under the law. The laws regarding **licensure** apply to all types of collateral repossession.

<sup>2</sup> BPC 7500.2

<sup>3</sup> BPC 7500.3

<sup>4</sup> BPC 7507.9

<sup>5</sup> BPC 7507.10; usually within 48 hours, but in all cases in no less than 96 hours after the repossession takes place.

<sup>6</sup> VC 27907

<sup>7</sup> VC 28

<sup>8</sup> GC 26751 & 41612; \$15.00 when paid to the local law enforcement agency directly, but may increase to \$20.00 if paid directly to the repossession agency or legal owner instead of the local law enforcement agency directly.

BPC: Business and Professions Code  
VC: Vehicle Code  
GC: Government Code