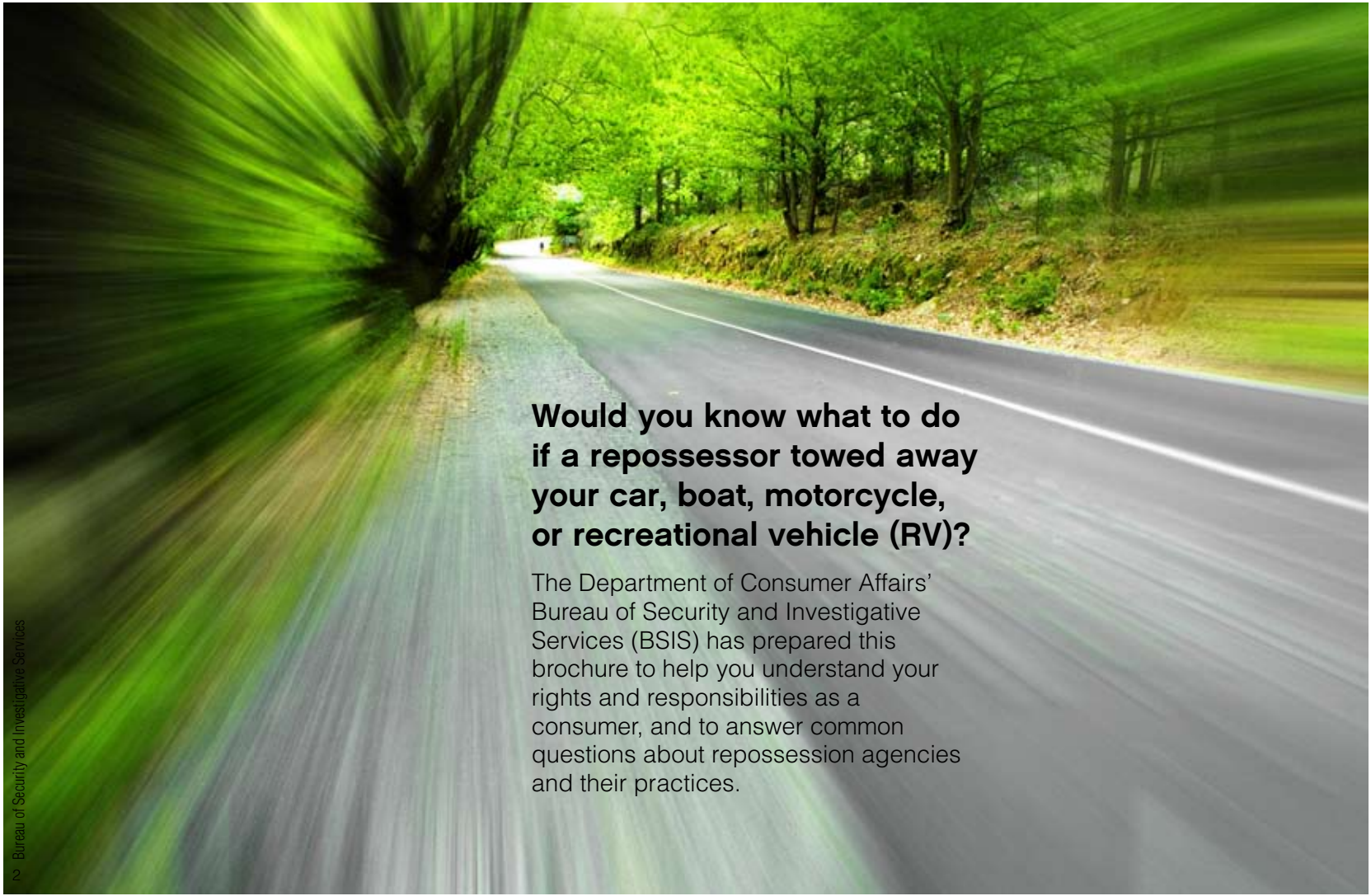
consumer's guide to

Repossession Practices

STATE OF CALIFORNIA

dca

DEPARTMENT OF CONSUMER AFFAIRS



Would you know what to do if a repossessor towed away your car, boat, motorcycle, or recreational vehicle (RV)?

The Department of Consumer Affairs' Bureau of Security and Investigative Services (BSIS) has prepared this brochure to help you understand your rights and responsibilities as a consumer, and to answer common questions about repossession agencies and their practices.

What is a repossession agency?

A repossession agency is a business that recovers property sold under a contract or security agreement. Typically the property (called “collateral”) is a car, boat, motorcycle, or RV. Employees of repossession agencies are separately registered by the DCA.

NOTE: See sample ID cards on page 26 and 27.

Who can repossess a vehicle?

In most cases, a person must be registered with BSIS and have a BSIS identification card to legally recover collateral (a vehicle, boat, motorcycle RV or other types of collateral). Ask to see this ID card.

In some cases, a bank, auto dealership, financial lender, or other legal owner will send employees to recover property. Under California law, in-house employees who are on the regular payroll of the legal owner are not considered repossession employees and do not need to be licensed by BSIS.

How can I check someone's repossessor license?

You can call the Department of Consumer Affairs' Consumer Information Center at (800) 952-5210, or BSIS at (916) 322-4000; TDD (916) 928-1227.

You can also verify license information online at **www.bsis.ca.gov.**

What does a contract have to do with repossession?

When you sign a contract for a secured loan to buy a car, boat, motorcycle, RV or other merchandise, you agree to make payments and meet the terms of the contract. The terms may include the seller's (or legal owner's) right to repossess that collateral if you don't make the payments.

© Burns Security and Investigative Services

What happens if I miss a payment on my loan?

Your contract may allow a grace period during which you can still make a payment without having your collateral repossessed. However, the legal owner can repossess your collateral at any time after the first day you miss a payment, depending on the terms and conditions of your contract. Even if you make payments on time, your vehicle could still be repossessed if you do not meet other terms in the contract, such as insuring the vehicle.

Can a vehicle be repossessed on private property?

In most cases, yes. However, it is against the law for the repossessor to go into a private building, such as an enclosed garage, or into a fenced or locked area, without permission from the legal owner of the building or locked area.

Can the repossessor take my vehicle if I am present?

Yes. If the repossession agency is working for the legal owner, the repossessor may enter your vehicle, connect it to a tow truck, and take it. If you try to stop the repossessor from taking your vehicle, you could be breaking the law. There are legal steps to follow to get your vehicle back.

Does a repossessor's tow truck have to display business signs?

No. The company is only required to display the repossession agency's license number.

What if I hide my vehicle so that it can't be repossessed?

It is against the law to "remove, conceal, or dispose of" property with the intent to defraud the legal owner. If you regularly store your vehicle in a rental garage or other private storage facility, the keeper of that garage or facility must notify the nearest police or sheriff's department within 24 hours of storing the vehicle. (VC 10654)

Does a repossessor have to notify the police or sheriff's office before repossessing a vehicle?

No. However, some law enforcement offices want repossessors to notify them in advance, so that officers can avoid filing a stolen vehicle report.

Does a repossessor have to notify the police or sheriff's office after repossessing a vehicle?

Yes. The repossessor must contact the police or sheriff's office within one hour of taking possession of the vehicle. (VC 28)

Does a repossessor have to notify *me* after repossessing my vehicle?

Yes. The repossession agency must notify you by mail or in person within 48 hours after repossessing your vehicle. If the 48-hour period includes a Saturday, Sunday, or postal holiday, the repossessor has 72 hours to notify you.

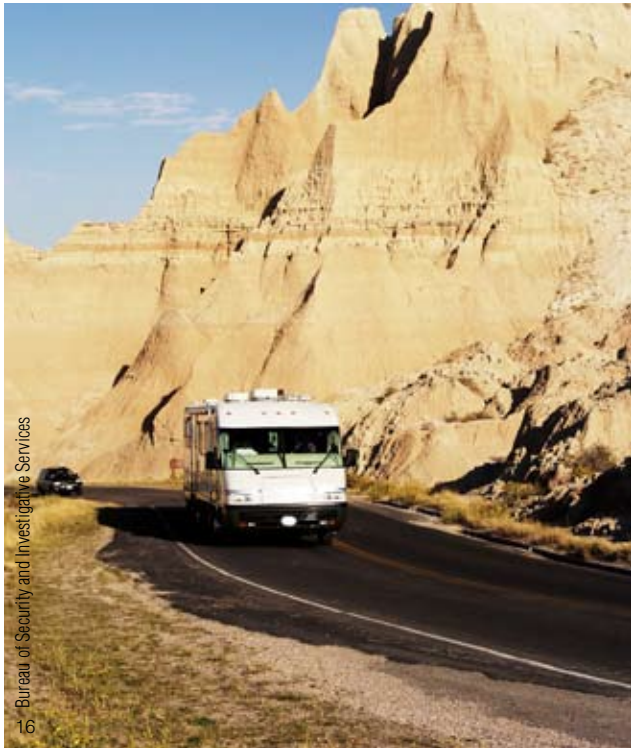
What happens to personal effects left in my vehicle?

If you are present when your vehicle is repossessed, you may take any personal effects that are not a danger to health or life, or the repossessor can remove the items from the vehicle and give them to you. If you are not present, the repossessor must inventory everything found in the vehicle and store the items securely for at least 60 days.

Any weapons or dangerous drugs found when a vehicle is repossessed must be listed in the inventory and given to a law enforcement agency. Flammable items, food, and health hazard items also are listed on the inventory, then disposed of safely.

What happens if I don't claim my personal effects in 60 days?

After 60 days, you are no longer entitled to any personal items left in the vehicle. The items may be given away, thrown away, or sold. The repossession agency must keep the personal effects inventory list, and information as to how and when items were distributed.



Bureau of Security and Investigative Services

Will I be charged for storing personal effects left in the vehicle?

Yes, however the law provides only that the fee be "reasonable." In most cases, you—not the legal owner of the vehicle—are responsible for this fee.

NOTE: Storage fees are usually charged by the day; the bill for storing items for the full 60 days could be substantial.

Is the repossession agency responsible for vehicle damage as a result of the repossession?

That depends. The agency is responsible for damage caused while it repossessed or stored the vehicle, but not for mechanical or tire damage unless the damage is the agency's fault.

What happens to my personalized license plate if my vehicle is repossessed?

Personalized plates are removed, inventoried, and stored with personal effects. If you do not claim the plates within 60 days, they are destroyed.

How do I get my vehicle back and reinstate the contract?

You must contact the legal owner and pay the required fees—payments, late fees, and costs related to the repossession. You must also receive a release from the legal owner stating that you can redeem your vehicle from the repossessor. You must also show the repossession agency proof that you paid the police or sheriff's office for a "redemption release" (currently $15). (See Government Codes 26751 & 41612.)

In some cases, you may not get your vehicle back at all.

The legal owner can accelerate the maturity of your contract if:

- You provided false or misleading information on the credit application when buying the vehicle.
- You tried to avoid repossession by hiding the vehicle or taking it out of California.
- You destroyed, or threatened to destroy, the vehicle, or failed to take care of it.
- You committed, or threatened to commit, a criminal act of violence against the legal owner or anyone who tried to repossess the vehicle.
- You used the vehicle, or allowed it to be used, in a crime, and the vehicle was seized by a federal, State, or local authority.

115

What if I don't claim the repossessed vehicle?

You may still be liable for the balance due on your loan contract, plus storage fees and other costs associated with the repossession. You may want to consult a lawyer about your specific case.

Be an informed consumer.

Before you sign a contract to buy a vehicle, read the contract carefully. Make sure there are no blank areas in the contract, and that everything the seller agreed to do is written into the contract.

If your vehicle is repossessed, find out the repossessor's license or registration number, then verify the number by calling the DCA's Consumer Information Center at (800) 952-5210. You can also verify a license or registration online at **www.bsis.ca.gov.**

If you suspect business fraud, contact your local District Attorney's Consumer Fraud Unit. Check your local phone directory for the number of the District Attorney's office in your county.

To file a complaint against a licensed repossession agency:

Call DCA's Consumer Information Center at (800) 952-5210 and ask for a complaint form. Or, file a complaint online at https://www.breeze.ca.gov/.

To order copies of this publication:

Call (800) 952-5210 or (866) 320-8685.

Consumer Guide to Repossession Practices
c/o Department of Consumer Affairs
Policy & Publications Development Office
1625 Market Blvd., Suite N-112
Sacramento, CA 95834
Please allow three weeks for delivery.

DCA's Consumer Information Center
1625 North Market Blvd., Suite N-112
Sacramento, CA 95834
(800) 952-5210 (California residents only)
(916) 445-1254 (Sacramento area / out of state)
TDD only (916) 928-1227
www.dca.ca.gov/cic

Bureau of Security and Investigative Services
2420 Del Paso Road, Suite 270
Sacramento, CA 95834
8 a.m. to 5 p.m., Monday through Friday
www.bsis.ca.gov.

Identification

If your vehicle is repossessed, check the repossessor's identification card.

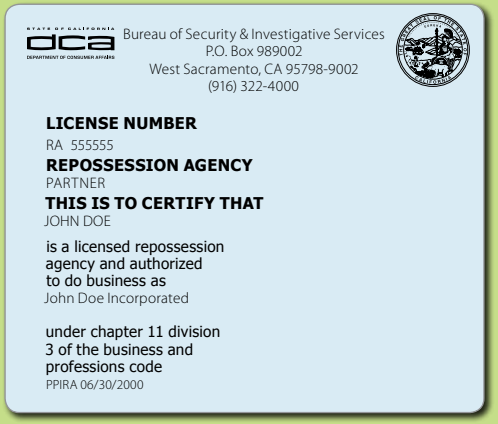
Write down the license or registration number.

Call DCA's Consumer Information Center at (800) 952-5210, or BSIS at (916) 322-4000, to verify the license status.

You can also verify a license online at **www.bsis.ca.gov.**

The following page shows examples of repossessor identification cards.

Repossession Agency


STATE OF CALIFORNIA
dca
DEPARTMENT OF CONSUMER AFFAIRS

Bureau of Security & Investigative Services
P.O. Box 989002
West Sacramento, CA 95798-9002
(916) 322-4000

LICENSE NUMBER
RA 555555
REPOSSESSION AGENCY
PARTNER
THIS IS TO CERTIFY THAT
JOHN DOE

is a licensed repossession agency and authorized to do business as
John Doe Incorporated

under chapter 11 division 3 of the business and professions code
PPIRA 06/30/2000

Qualified Manager Certificate

STATE OF CALIFORNIA
dca
DEPARTMENT OF CONSUMER AFFAIRS

Bureau of Security & Investigative Services
P.O. Box 989002
West Sacramento, CA 95798-9002
(916) 322-4000

CERTIFICATE NUMBER
RAQ 00100123
REPOSSESSION AGENCY

THIS IS TO CERTIFY THAT
JOHN DOE

is a licensed repossession agency qualification certificate holder and authorized to do business as
John Doe Incorporated

under chapter 11 division 3 of the business and professions code
PPIRA 06/30/2000

Temporary Identification

STATE OF CALIFORNIA—STATE AND CONSUMER SERVICES AGENCY ARNOLD SCHWARZENEGGER, *Governor*

BUREAU OF SECURITY AND INVESTIGATIVE SERVICES
P.O. Box 989002
West Sacramento, CA 95798-9002
(916) 322-4000
www.dca.ca.gov/bsis

For Department Use Only
Application #987654

TEMPORARY REPOSSESSOR REGISTRATION
This registration is valid for 120 days from the date signed

Applicant Name: John Doe		Driver's License Number: C1234567	State: CA
Employer Name: Repossession Agency, Inc.		Business License Number: RA 555555	
Business Address:	Number and Street: 555 Maiin Street	City: Anytown	State: CA / Zip Code: 90001

Month 01 / Day 15 / Year 2007

Employee Signature First Day as a Repossessor Registrant

NOTICE TO LAW ENFORCEMENT AGENCIES: This document must be embossed with a state seal to be valid. This document will serve as proof of application for registration, entitles the bearer to perform the duties of a Repossessor registrant and is valid for 120 days from the date signed.

[NOT VALID WITHOUT STATE SEAL]

Repossession Registrant (Employee)

STATE OF CALIFORNIA dca DEPARTMENT OF CONSUMER AFFAIRS

Bureau of Security & Investigative Services
P.O. Box 989002
West Sacramento, CA 95798-9002
(916) 322-4000

REPOSSESSION AGENCY REGISTRANT

JOHN DOE
5555 ANY STREET
ANY TOWN CA 55555

Registration: RAE 555555 Expiration: 06/30/2000
REGISTRANT FOR JOHN DOE

Company License No.: 555555

SEE REVERSE FOR EXPIRATION INFORMATION
RECEIPT NO. PPIG 05/31/99
55555555

Bureau of Security and Investigative Services
2420 Del Paso Road, Suite 270
Sacramento, CA 95834
8 a.m to 5 p.m, Monday through Friday
www.bsis.ca.gov

STATE OF CALIFORNIA
dca
DEPARTMENT OF CONSUMER AFFAIRS

PPD 06-093 REV 02-08HRS