



April 8, 2020

Antonio Salazar  
Commissioner of Financial Regulation  
Office of the Commissioner of Financial Regulation  
500 N. Calvert Street, Suite 402  
Baltimore, Maryland 21202

**Re: Executive Order 20-04-03-01**

Dear Commissioner Salazar:

I write on behalf of the American Financial Services Association (AFSA)<sup>1</sup> regarding Governor Hogan's April 3 executive order (Executive Order 20-04-03-01), which in part, suspends rules and regulations permitting self-help repossessions. AFSA members share the state's goal of providing relief to borrowers facing financial hardship due to the spread of COVID-19 and continue to take steps to work with borrowers to help them keep their vehicles during this emergency. We applaud the order's language making clear it does not relieve any individual of making payments or obligations under a loan agreement or lease.

In order to prevent significant market disruption and ensure that companies can continue to provide relief to those customers who need it most, we believe clarification related to repossession is necessary, and we request verification of our understanding of the order's scope.

As we understand the governor's order, we assume it is not intended to inhibit voluntary surrenders—which allows borrowers to voluntarily turn over a vehicle based on their own assessment of their financial situation and vehicle needs—or to prevent recovery of vehicles at risk due to mechanics liens, fraud, vehicles in impound lots in jeopardy of being sold, abandoned vehicles, seized vehicles, or in other cases where collateral may be in jeopardy. Leaving creditors without the ability to secure their collateral in instances where it may be at risk would cause a significant disruption in the vehicle finance market, with implications for larger financial markets due to existing securitization and master credit agreements. We believe verification of this important point would prevent such a market disruption.

Thank you for your attention to this matter. If you have any questions about how AFSA can be of any further assistance to you as you move forward, please do not hesitate to contact me at 952-922-6500 or [dfagre@afsamail.org](mailto:dfagre@afsamail.org).

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<sup>1</sup> 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.

Sincerely,

A handwritten signature in black ink, appearing to read 'Danielle Fagre Arlowe', written in a cursive style.

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

cc:

Governor Larry Hogan