

[Month Day, Year]

[Recipient Name]

[Address Line 1]

[Address Line 2]

Re: 1022(c)(4) Order to File Information on [Topic]

Dear [Recipient Individual POC]:

Please find attached to this letter an Order, issued pursuant to Section 1022(c)(4) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, 12 U.S.C. § 5512(c)(4) (Dodd-Frank Act or the Act), seeking information about auto finance.

This is a market-monitoring order issued under Section 1022(c)(1) & (4) of the Act, 12 U.S.C. § 5512(c)(1) & (4). It is not a supervisory order issued under Sections 1024 or 1025 of the Dodd-Frank Act, 12 U.S.C. §§ 5514 or 5515. Information provided in response to the Order is intended to be used for monitoring for risks to consumers in the offering or provision of consumer financial products or services, including developments in markets for such products or services, although the Bureau reserves the right to use and share internally the information for any purpose permitted by law.

Compliance with the Order is mandatory under the terms of Section 1022(c)(4)(B)(ii) of the Act, 12 U.S.C. § 5512(c)(4)(B)(ii).

The Order does not seek any personally identifiable information that directly identifies a consumer.

Information provided in response to the Order will be treated as confidential information in accordance with the Bureau's confidentiality rules, 12 CFR 1070.40 *et seq.* Where appropriate, you may also wish to designate responses as confidential business information.

Sincerely,

[Name]

Assistant Director, [Collecting Office]

UNITED STATES OF AMERICA
Before the
CONSUMER FINANCIAL PROTECTION BUREAU

In re: [Recipient])
)
Order to File Information on Auto Lending)
Activities and Practices)
)

ORDER TO FILE INFORMATION

Pursuant to the Consumer Financial Protection Bureau’s (Bureau) authority under Section 1022(c)(4) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act), 12 U.S.C. § 5512(c)(4), **RespondentName** is hereby ordered to file with the Bureau the information specified below.

Purpose

The Bureau is issuing this Order to fulfill its obligations to “monitor for risks to consumers in the offering or provision of consumer financial products or services, including developments in markets for such products or services.” (*See* Section 1022(c)(1) of the Dodd-Frank Act, 12 U.S.C. § 5512(c)(1).) In addition, the Bureau expects that the collection of information pursuant to this order will serve a “primary function [...] of the Bureau,” of “collecting, researching, monitoring, and publishing information relevant to the functioning of markets for consumer financial products and services to identify risks to consumers and the proper functioning of such markets” (*see* Section 1021(c)(3) of the Dodd-Frank Act, 12 U.S.C. § 5511(c)(3)), and will support the Bureau’s enumerated purpose and objectives (*see* Sections 1021(a) and 1021(b) of the Dodd-Frank Act, 12 U.S.C. §§ 5511(a) & 5511(b)).

This is a market-monitoring order issued under Section 1022(c)(1) & (4) of the Dodd-Frank Act, 12 U.S.C. § 5512(c)(1) & (4). It is not a supervisory order issued under Sections 1024 or 1025 of the Dodd-Frank Act, 12 U.S.C. §§ 5514 or 5515. Information provided in response to the Order is intended to be used for market monitoring and research purposes, although the Bureau reserves the right to use the information for any purpose permitted by law. Timely responses to

the request are legally required. See 12 U.S.C. § 5512(c)(4)(B)(ii). Responses are due on or before 5:00 PM Eastern time, [Month Day], 2023.

Order Terms and Procedure

The information required by this Order shall be filed pursuant to the terms of this Order, including the stated Instructions and Definitions. Responses are required to all questions listed in all Attachments to this Order.

The Bureau will treat the information received in response to this Order in accordance with its confidentiality regulations at 12 CFR § 1070.40 *et seq.*

It is so ordered.

Rohit Chopra
Director
Consumer Financial Protection Bureau

DATE: MONTH DAY, YEAR

Instructions

1. Until you are notified otherwise, retain—and suspend any procedures that may result in the destruction of—all documents, information, and tangible things that are in any way relevant to responding to this Order.
2. Submit your responses with an accompanying affidavit or declaration, made by one or more officers of **COMPANY** who are authorized to represent **COMPANY**, affirming that the information is true and accurate and does not contain any omissions that would cause the responses to be materially misleading.
3. Data and other proprietary submissions should be provided to the Bureau via a secure method appropriate to the sensitivity of the information. (For example, you can use a Secure File Transfer Protocol (SFTP) server.) Any questions about acceptable methods of transfer should be discussed in advance with Richard Landau, Section Chief, at richard.landau[at]cfpb.gov.
4. Please submit all responses to all sections using the spreadsheet and document templates provided alongside this Order, except as otherwise indicated.
5. Where a known number of multiple values exist for a single field, provide in multiple fields, leaving blank those which are not applicable for an individual record (*e.g.*, if some consumers have both a Vantage and FICO score, provide as two named columns); if the request asks for a data element which you logically store at a different level (*e.g.*, per-transaction rather than per-loan), provide those sub-records as a separate table, including all unique identifiers necessary to reaggregate.
6. Do not include any personally identifiable information that directly identifies any consumer, such as a consumer’s name, address, telephone number, Social Security number, or account number.
7. If you submit information that you customarily and actually treat as private, please mark it as “confidential business information.”
8. Unless otherwise specified, requests apply to grants of credit for a consumer’s purchase of an automobile; refinancing of such obligations (and subsequent refinancing thereof) that are secured by an automobile; automobile leases; and purchases or acquisitions of any of the foregoing obligations.
9. Unless specifically noted in particular requests, requests apply to consumer automobile loans, and do not cover government or fleet loans even if used to acquire an automobile.
10. When you have written policies or procedures that contain responsive information, you must provide those documents with your answer.
11. Unless otherwise specified, the requests seek information about practices current as of the

date of this Order.

12. For questions that request information only “if applicable,” you should respond “n/a” if the question is not applicable.

13. Unless otherwise specified, you should report on accounts for the full period of time they are tracked in your information systems.

14. The Bureau may issue follow-up requests in connection with your responses.

15. If you have questions about the information specified in or requested by the Order, please contact Richard Landau, Section Chief, at richard.landau[at]cfpb.gov.

16. Auto finance terminology used in this Order should be familiar to you and usage herein corresponds to common usage in the market. However, to assist in your response, please consult Appendix A for definitions of key terms.

Responses are due on or before 5:00 PM Eastern Time on [Month Day], 2023.

Questions

Section OR: Originations

We are requesting data on originations to better understand how the components of auto loan transactions have changed over time. Given unprecedentedly high vehicle prices, auto loans are a larger obligation for consumers than ever before. This information will complement the market monitoring discussions we have with industry participants and trade groups, fill the significant gaps that currently exist in publicly available datasets, and provide the clarity needed to fulfill our mission as a data-driven agency.

We believe that the information requested in OR-1 is found in standard auto finance agreements or contracts.

OR-1: For all auto loans you originated or serviced during the period from January 1, 2018 through December 31, 2022, please provide the following for each account at the time of origination:

- a. unique ID;
- b. cash price of the vehicle;
- c. sales tax charged;
- d. total down payment,
- e. breakdown of the total down payment into the following categories (please include each of these items in separate columns):
 - (1) gross trade-in allowance (if applicable);

- (2) pay off made by seller (if applicable);
- (3) net trade-in (if applicable);
- (4) cash down payment (if applicable);
- (5) other down payment (if applicable);
- f. unpaid balance of the cash price after accounting for down payment;
- g. total other charges and amounts paid to others by the consumer;
- h. breakdown of the total other charges and amounts paid to others by the consumer into the following categories (please include each of these items in separate columns):
 - (1) total fees paid to the dealer (do not include down payment amount or fees paid to the dealer for taxes, titling, or other fees ultimately paid to a third party);
 - (2) total fees paid for all add-on products such as GAP, automobile service contracts, and extended warranties; including a breakdown of the following (please include each of these items in separate columns):
 - (a) the price to the consumer of lender-provided GAP (if applicable);
 - (b) the price to the consumer of third-party GAP (if applicable);
 - (c) the price to the consumer of a lender-provided automobile service contract (if applicable);
 - (d) the price to the consumer of a third-party automobile service contract (if applicable);
 - (e) the price to the consumer of a lender-provided prepaid maintenance plan (if applicable);
 - (f) the price to the consumer of a third-party prepaid maintenance plan (if applicable);
 - (g) the price to the consumer of a lender-provided extended warranty (if applicable);
 - (h) the price to the consumer of a third-party extended warranty (if applicable);
 - (i) total price of all other add-on products (if applicable);
 - (3) total government fees (this does not include sales tax, but does include any other taxes);
 - (4) prior loan or lease balance;
 - (5) total of any charges and amounts paid to others not listed above;
 - i. prepaid finance charge;
 - j. amount financed;
 - k. annual percentage rate;
 - l. term of the loan in months;
 - m. whether the loan was direct or indirect;
 - n. buy rate (if applicable);
 - o. dealer markup or reserve, expressed as a difference in interest rate (if applicable);
 - p. contract rate;
 - q. required loan payment (generally, this will be the monthly payment at origination);
 - r. required loan payment frequency (*i.e.* monthly or biweekly);
 - s. due date of first loan payment;
 - t. whether or not the loan was subvented;
 - u. any money paid by you or the original lender to an automobile dealer;

- v. loan-to-value ratio; and
- w. payment-to-income ratio.

We believe that the data requested in OR-2 is standard information on consumers, vehicles, and counterparties.

OR-2: For all loans you originated or serviced between January 1, 2018 and December 31, 2022, please provide the following:

- a. unique ID;
- b. the brand under which the account was originated;
- c. whether the account is for the purchase of an automobile or to refinance an existing loan;
- d. original lender (if account was sold or servicing rights were transferred);
- e. whether the vehicle was deemed new or used at the time of origination;
- f. dealer reference number;
- g. dealer zip code;
- h. date of origination;
- i. truncated VIN;
- j. borrower credit score at origination;
- k. borrower credit score type (sourced from FICO, VantageScore, or similar);
- l. borrower income at origination;
- m. borrower income frequency (annual/monthly)
- n. source of the borrower's income (if applicable or known)
- o. borrower zip code;
- p. borrower military status;
- q. whether the loan had a co-borrower at origination;
- r. co-borrower credit score at origination (if applicable);
- s. co-borrower credit score type (sourced from FICO, VantageScore, or similar, if applicable);
- t. co-borrower income at origination (if applicable);
- u. co-borrower income frequency (annual/monthly, if applicable);
- v. co-borrower zip code (if applicable); and
- w. co-borrower military status (if applicable).

Section SV: Servicing

As with originations, we are also seeking additional clarity into loan servicing and repossession. Our goal with this data collection is to increase our understanding of the auto lending market and to fulfill our statutory market monitoring obligations. Auto loan servicing has seen significant challenges due to the pandemic and continued economic shifts. The use of technology in repossession is also not captured in existing data. This data will fill significant gaps that currently exist in publicly available datasets and will allow us to better understand trends and changes in the marketplace.

We believe the information requested in SV-1, SV-2, and SV-3 is data routinely tracked in servicing information systems.

SV-1: For every account serviced at any point from January 1, 2018, through December 31, 2022, please provide the following information, starting from origination:

- a. unique ID;
- b. the brand under which the account was originated;
- c. if any of the following events occurred, please provide the date(s) of each occurrence:
 - (1) the account was paid in full;
 - (2) the vehicle securing the account was declared a total loss;
 - (3) the consumer filed a bankruptcy petition;
 - (4) the automatic stay in a bankruptcy proceeding was lifted for the loan secured by the vehicle;
 - (5) the loan was discharged in bankruptcy;
 - (6) a reaffirmation agreement for the loan was signed and executed;
 - (7) payments resumed under a confirmed Chapter 13 bankruptcy plan;
 - (8) the bankruptcy petition was terminated for any reason prior to final disposition;
 - (9) the loan balance was charged-off;
 - (10) the account was assigned to repossession or voluntary surrender;
 - (11) the account had a completed repossession or voluntary surrender;
 - (12) the account was redeemed after a completed repossession or voluntary surrender;
 - (13) the consumer requested an accommodation;
 - (14) a consumer accommodation request was granted;
 - (15) the consumer filed a complaint with you; or
 - (16) wrongful repossession.

SV-2: For all accounts serviced between January 1, 2018 and December 31, 2022 and which were assigned to repossession or voluntary surrender at any point during the life of the loan, please provide the following information for each assignment, starting from origination:

- a. unique ID;
- b. unique repossession reference number;
- c. indicate whether the account was assigned as a repossession or as a voluntary surrender;
- d. date the account was assigned to repossession or voluntary surrender;
- e. whether the assignment to repossession or voluntary surrender was cancelled for any reason;
- f. date the assignment to repossession or voluntary surrender was cancelled (if applicable);
- g. number of days past due when account assigned for repossession or voluntary surrender;

- h. the outstanding account balance when the account was assigned for repossession or voluntary surrender;

SV-3: For all accounts serviced between January 1, 2018 and December 31, 2022 and with a completed repossession or voluntary surrender, for each completed repossession or voluntary surrender please provide the following information, starting from origination:

- a. unique ID;
- b. unique repossession reference number;
- c. date the repossession or voluntary surrender was completed;
- d. number of days past due when the repossession or voluntary surrender was completed;
- e. the outstanding account balance when repossession or voluntary surrender was completed;
- f. whether the repossession assignment was issued to a repossession forwarding company (if applicable);
- g. whether the repossession assignment was issued to one repossession agent or to more than one repossession agent, including agents working for repossession forwarding companies or LPR networks (if applicable) *[Any accounts you place on a repossession forwarding company hot list must be included in the “more than one” category if the repossession forwarding company allows multiple repossession agents to recover the vehicle based on that hot list]*;
- h. whether the repossession was completed using LPR or an LPR network (if applicable) *[This question asks if the specific automobile in question was physically recovered through the use of LPR technology. If you place the account with a repossession forwarding company that uses LPR but LPR was not used for this account, do not include it here]*;
- i. whether repossession was completed with the use of a SIGPS device (if applicable);
- j. if the repossession was completed with the use of a SIGPS device, whether any starter-interrupt functionality was used at any point in the process (if applicable);
- k. date the borrower redeemed the vehicle (if applicable);
- l. amount borrower paid to redeem the vehicle (if applicable);
- m. date on which disposal was completed;
- n. total dollar amount recovered from disposal;
- o. total amount of fees paid to third parties in connection with the repossession or voluntary surrender of the vehicle;
- p. total amount of fees paid to third parties in connection with the disposal of the vehicle;
- q. total amount of fees charged to the borrower in connection with the repossession or voluntary surrender of the vehicle;
- r. total amount of fees charged to the borrower in connection with the disposal of the vehicle;
- s. consumer surplus (enter “0” if no consumer surplus);
- t. deficiency balance (enter “0” if no deficiency balance) and, if applicable:

- 1) whether the deficiency balance was recovered,
 - 2) whether the deficiency balance was reported to a nationwide consumer reporting agency or agencies,
 - 3) whether an active lien or judgment was attached to the borrower, and/or
 - 4) whether the deficiency balance was uncollected or abandoned;
- u. the total amount of fees charged to the consumer as part of the repossession process;
 - v. gross charge-off amount;
 - w. date of charge-off;
 - x. whether the charge-off was full or partial;
 - y. net charge-off amount;
- z. breakdown of the total amount of fees charged to the consumer as part of the recovery process into the following categories (please include each of these items in separate columns):
 - 1) recovery fees,
 - 2) towing charges,
 - 3) storage charges,
 - 4) reconditioning charges,
 - 5) personal property charges,
 - 6) attorney's fees owed,
 - 7) fees paid to third parties to process the repossession,
 - 8) lender fees, and
 - 9) any fees not captured above;
- aa. estimated market value of vehicle as of the date of the repossession or voluntary surrender.

Appendix A: Definitions

For purposes of this Order:

1. “You” or “your” shall mean **RespondentName**, its parent companies, wholly or partially owned subsidiaries, joint ventures, affiliates, and all principals, directors, officers, owners, employees, agents, representatives, consultants, attorneys, accountants, independent contractors, and other persons working for or on behalf of the foregoing.
2. “Accounts” or “auto accounts” refers to auto loans.
3. “Auto dealer” or “dealer” refers to any person or resident in the United States or any territory of the United States who is licensed by a State, a territory of the United States, or the District of Columbia to engage in the sale of motor vehicles and takes title to, holds an ownership in, or takes physical custody of motor vehicles.
4. “Auto loans” refer to grants of credit for a consumer’s purchase of an automobile, refinancing of such obligations (and any subsequent refinancing thereof) that are secured by an automobile, or purchases or acquisitions of any of the foregoing obligations.
5. “Automatic stay in a bankruptcy proceeding was lifted” refers to a court ordering that a stay of repossession pursuant to a bankruptcy filing be lifted for the auto loan, whether the order was pursuant to a motion to lift the automatic stay you filed or for any other reason.
6. “Automobile service contract” refers to a financial product designed or marketed to pay for the repairs of the automobile securing an account for a period of time or number of miles.
7. “Buy rate” refers to the minimum interest rate or range of interest rates expressed to the auto dealer, absent any additional discounts or reductions, at which you would agree to finance or purchase a retail installment sales contract from the auto dealer.
8. “Brand” refers to the name under which you offer financing to consumers. For instance, if you originate certain accounts as a “captive” and other accounts as a “finance company,” the term “brand” refers to either the name of the captive lender or the name of the finance company as presented to the consumer.
9. “Confirmed Chapter 13 bankruptcy plan” refers to a repayment plan entered into under a bankruptcy proceeding.
10. “Consumer filed a bankruptcy petition” refers to the date on which a borrower filed a petition for bankruptcy in which a loan you hold is included in the filing.
11. “Consumer surplus” refers to the amount remaining when the total sum of money gained by the sale of an automobile securing an account after repossession or voluntary surrender is greater

than the total unpaid balance of the loan.

12. “Contract rate” refers to the interest rate charged to the consumer under the terms of the retail installment sale contract or agreement.

13. “Dealer reference number” refers to an anonymized code for a given dealer that does not change over time and is consistently used across all questions in this order. All answers referring to a given dealer must use the same dealer reference number, regardless of the section of the order in which the request appears. The dealer reference number must be hashed and must not identify the dealer.

14. “Dealer markup” or “dealer reserve” refers to the difference between the buy rate and the contract rate.

15. “Deficiency balance” refers to the total shortfall when the sale of an automobile securing an account after repossession or voluntary surrender is less than the total unpaid balance of the loan.

16. “Direct auto loan” refers to a loan in which you directly originated the automobile loan with a consumer or consumers.

17. “Extended warranty” refers to a financial product designed or marketed to pay for the repairs of the automobile securing an account for a period of time after the expiration of any standard manufacturer warranty, or any similar financial product.

18. “Fees paid to third parties to process the repossession” refers to fees paid to third party providers to process a repossession and are charged to a consumer.

19. “Gross charge-off amount” refers to the total amount charged off against reserves set aside for losses before subtracting any expected recoveries or fees paid to third parties.

20. “Guaranteed Asset Protection” or “GAP” refers to a financial product designed or marketed to cancel or pay off some or all of the remaining balance owed on the account in the event of a total loss of the vehicle securing the loan, or any similar financial product.

21. “Indirect automobile loan” refers to a loan that is assigned to you from or otherwise acquired by you from an auto dealer as defined in 12 U.S.C. §5519(f)(2).

22. “Loan was discharged in bankruptcy” refers to the debtor being fully or partially released from personal liability for a loan under a bankruptcy proceeding.

23. “Loan-to-value ratio” refers to the ratio between the amount financed and the value of the vehicle at the time of origination.

24. “Military status” refers to the borrower or co-borrower’s status as an active-duty member of the armed forces including those on active Guard or active Reserve duty as defined by the Military Lending Act and Servicemembers Civil Relief Act.

25. “Net charge-off amount” refers to the total amount of charge-off against reserves set aside for losses minus the amount of any expected recoveries or fees paid to third parties.

26. “Payment-to-income ratio” refers to the ratio comparing the scheduled monthly payment under the loan to the borrower’s monthly income.

27. “Prepaid maintenance plan” refers to a plan in which the consumer pre-pays for maintenance or service for the vehicle securing the loan.

28. “Reaffirmation agreement for the loan was signed and executed” refers to when an agreement to resume making payments on a loan was signed and executed under a bankruptcy proceeding.

29. “Redemption,” “redeem,” or “redeemed” refers to a situation in which the borrower pays a certain amount to gain the return of their vehicle after the vehicle has been referred to repossession or has been repossessed.

30. “Subvented” refers to an automobile loan in which a subsidy is applied to reduce the interest rate below prevailing market rates.

31. “Term of the loan in months” refers to the length of the loan in months.

32. “Total dollar amount recovered” refers to the total sum of money gained by the sale or other transfer of an automobile securing an account after repossession or voluntary surrender.

33. “Transaction” refers to and includes, but is not limited to:

- any payment, fee, or interest applied to the account balance,
- any change that affects the account balance or account term length,
- any change that affects any other aspect of the account.

34. “Truncated VIN” refers to the first 11 digits of the vehicle identification number (VIN) for the vehicle securing the loan or lease. The number provided should not identify the particular vehicle securing the loan or lease.

35. “Unique ID” refers to an anonymized code for a given account that does not change over time and is consistently used across all questions in this order. All answers referring to a given account must use the same unique ID, regardless of the section in which the request for the unique ID appears. The unique ID must be hashed, must not identify the borrower, and must not be the borrower’s account number.

With respect to repossession and voluntary surrenders:

36. “Assigned to repossession or voluntary surrender” refers to accounts where you initiate any internal processes to physically recover the automobile securing the account for non-payment, whether performed in-house or through a third-party service provider. Once a repossession or voluntary surrender is “completed”, or if it is cancelled, it is no longer considered “assigned.”
37. “Attorney’s fees” refer to fees owed to attorneys in connection with a repossession or voluntary surrender and which are charged to a consumer.
38. “Completed repossession or voluntary surrender” refers to accounts where you physically recover the automobile securing the account for non-payment, whether performed in-house or through a third-party service provider.
39. “Disposal” refers to the sale or other transfer of ownership of a vehicle you obtained through repossession or voluntary surrender.
40. “Individual repossession agent” refers to a third-party service provider which physically executes repossession or voluntary surrenders on consumer auto accounts.
41. “Lender fees” refer to fees charged by you to the consumer in connection with a repossession or a voluntary surrender.
42. “LPR” or “LPR network” refers to a third-party service provider which compiles location information on consumer automobiles through the use of license plate recognition cameras or devices that collect photos or images of license plates.
43. “Personal property charges” refers to any fees charged to a consumer in connection with the consumer’s personal property that remains in a vehicle following completion of repossession or voluntary surrender, including, but not limited to, storage or maintenance of personal property found in a vehicle that has been repossessed or voluntarily surrendered.
44. “Reconditioning charges” refers to any fees charged to a consumer to repair or clean a vehicle in connection with a repossession or voluntary surrender.
45. “Recovery fees” refers to any fees charged to a consumer for recovery of a vehicle, excluding towing charges.
46. “Repossession” refers to the act of taking or the planned act of taking possession of an automobile securing an auto account due to non-payment and without the express consent of the consumer, with or without a court order.
47. “Repossession forwarding company” refers to a third-party service provider that aggregates past-due accounts and assigns repossession to individual repossession agents.

48. “Repossession forwarding company hot list” refers to the master list of repossession available to individual repossession agents working with the company, even if such repossession are not formally assigned to individual repossession agents.

49. “SIGPS device” refers to a physical device in a consumer’s automobile which is designed to disable the ignition for non-payment, track automobile location, or both.

50. “Storage charges” refers to any fees charged to a consumer for storing a vehicle in connection with a repossession or voluntary surrender.

51. “Towing charges” refers to any fees charged to a consumer for the cost of towing a vehicle in connection with a repossession or voluntary surrender.

52. “Unique repossession reference number” is an anonymized code for each instance in which an account is assigned to repossession or voluntary surrender. This will not change over time, should be used consistently across all questions in this order, and should be different from the unique ID number. All answers referring to a given repossession must use the same unique repossession reference number, regardless of the section of the order in which the request appears. The unique repossession reference number must be hashed, must not identify the borrower, and must not be the borrower’s account number.

53. “Wrongful repossession” refers to a repossession that was carried out despite some action taking place that should be sufficient to stop the repossession, such as a borrower payment having been made or a repayment plan agreed to with the borrower prior to repossession, when the wrong automobile is repossessed, or any other instance in which an automobile was repossessed when it otherwise should not have been repossessed.

54. “Voluntary surrender” refers to the act of taking or the planned act of taking possession of an automobile securing an auto account for non-payment with the consent of the consumer.