

Where's My Car?

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If you're an auto finance lender, this might be what you're thinking when a borrower fails to make timely payments. It may be time to pick up the car and sell it to recoup some or all of the money owed to you.

Repossession of secured collateral upon a borrower's default is often a right granted to the lender by contract. Thus, your contract with the borrower is the first place to look. If the contract allows for the recovery of secured collateral upon the borrower's default, then be sure you have both a valid security interest in the vehicle and the debtor is actually in default pursuant to the terms of the contract.

Whether the borrower is in default or not may be the easy part to determine. On the other hand, whether you have a valid security interest is a legal conclusion that depends on a number of factors, including whether the collateral is sufficiently identified in the contract and whether the contract complies with applicable state and federal laws regarding security interests.

It may sound like the rules governing repossession were created to favor borrowers, but the rules actually exist to protect both lenders and borrowers. If correctly applied, the rules allow a lender to obtain a court order for the peaceful recovery of property in order to satisfy the borrower's debt. Ask yourself this: Who should I trust to make sure this repossession is done correctly? The repo man or an attorney with experience in replevin actions?

About Seidberg Law Offices, P.C.

For more information on debt collections in Arizona, contact [Seidberg Law Offices, P.C.](#), a [Professional and Respectable Arizona Debt Collections Law Firm](#), at (623) 258-4397.