



## Auto Repo Business Is Hurting In This Down Economy

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An article today about auto repossession caught my attention. It was in the [Dallas Morning News](#), and made the point that this is a bad time for the vehicle recovery business. I had assumed that with so many people out of work and unable to make their car payments, the repo business would be booming. But apparently the number of car sales is down so much that there aren't as many cars to repossess as in recent years. Here are a few snippets from the article:

Nationwide, about 1.5 million vehicles are repossessed annually. But the economy has taken a toll.

“We’re picking up less cars, and a lot of that is because the dealerships are not selling the cars,” said Mark Summs, president of Summs Skip and Collection service in Virginia and president of National Finance Adjusters, a trade association. “The repossession business is based on selling cars and a having a good portion of those loans going bad. So if they’re selling a whole lot less, then there’s less possibility of it being repossessed.”

- Repossessions can occur any time on any day.

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- In most cases, no physical force or threats can be used. This includes breaking into a garage.
- A vehicle can usually be repossessed from private property.
- Lenders are not obligated to grant borrowers a grace period
- Like most states – California, Florida and South Carolina are exceptions – Texas does not license recovery agents or regulate the repo industry. Although there are rules regarding the overall towing business, anyone with a working tow truck could hold act as a repo agent.