



LEGAL CHANGES AFFECTING LIEN-HOLDERS WHO REPOSSESS VEHICLES IN ILLINOIS, COMING INTO EFFECT ON JANUARY 1ST, 2024.

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CC: American Recovery Association
<https://repo.org/contact-us/>

Executive Summary & Why You Are Receiving This Letter

The new Illinois Senate Bill SB800 amended The Collateral Recovery Act imposing new requirements for all repossessions performed within the State of Illinois. Among other requirements, *“licensed repossession agents shall clear, erase, delete, or otherwise eliminate the personal information collected or stored in or by the vehicle by utilizing a standardized electronic solution that has been approved by the American Recovery Association.”*

The Act was signed by Governor Pritzker on July 28th. Under Illinois law, the **bill comes into effect and amends the existing Illinois Collateral Recovery Act on January 1st, 2024.**

As a regulated entity who has historically repossessed or may repossess in the future automobiles in Illinois, you have less than four months to meet the new compliance requirements and protection standards set by the law. We urge you to contact your recovery agents and forwarders and agree to process changes ahead of this deadline to ensure you can comply with this law.

Summary of the Law

The amended law would provide that if a “licensed repossession agency” has cause to believe that a vehicle that serves as collateral collects or stores Personal Information (“PI”), then, as soon as practicable upon repossession of the vehicle and prior to the release of the vehicle from the possession of the licensed repossession agency, the licensed repossession agency shall clear, erase, delete, or otherwise eliminate the PI collected or stored in or by the vehicle by utilizing a standardized electronic solution approved by the American Recovery Association (“ARA”).

General Assembly Findings and Why it Introduced New Consumer Protections

According to the text:

“The General Assembly finds: (i) due to advancements in technology, personal information associated with consumers is increasingly collected and stored on motor vehicles that function as collateral in secured loans; (ii) the loss or breach of such personal information can cause consumers financial and personal harm and loss, including, but not limited to, harm and loss associated with identity theft and loss of privacy; (iii) when motor vehicles are repossessed, it is critical that consumers be protected from such harm and loss; and (iv) that collateral recovery practices affect public health, safety, and welfare. And (b) The General Assembly declares that the purpose of this Act is to: (i) regulate individuals and entities engaged in the business of collateral recovery for the protection of the public; and (ii) ensure that repossession agencies protect motor vehicle collateral consumers from potential harm and loss associated with personal information that is collected and stored on motor vehicles. (Source: P.A. 97-576, eff. 7-1-12.)”

Who is Subject to the Law

The bill applies to “repossession agencies,” which are defined as entities conducting business in Illinois that engage in the business of property locating services, property recovery, recovered property transportation, recovered property storage or all services related to:

1. the location, disposition, or recovery of property as authorized by the self-help provisions of the UCC,
2. the location, disposition or recovery of lost or stolen property,
3. securing evidence concerning repossession and recovery to be used before any court, office, investigating committee,
4. inventory of property contained in or on the collateral or recovered property,
5. the possession of collateral,
6. the prevention of misappropriation or concealment of chattel, vehicles, goods, objects, documents or papers.

Enforcement of the Law

The law gives the Illinois Commerce Commission the power to regulate repossession agencies and their employees.

Implications for your company

Recovery agents in Illinois and nationwide have been preparing to execute the mandated data deletion, provided they have a valid key to power the vehicle (a prerequisite to perform the PI deletion) and the necessary process and contractual changes.

WE URGE YOU TO REVIEW THE AFOREMENTIONED AMENDMENT AND TO CONTACT YOUR RECOVERY AGENTS AND FORWARDERS AND AGREE TO PROCESS CHANGES AHEAD OF THIS DEADLINE TO ENSURE YOU CAN COMPLY WITH THIS LAW.

You can find the text of the law at <https://ilga.gov/legislation/publicacts/> under Public Act 103-0371

To learn more about Privacy4Cars®’ multi-patented and ARA-approved AutoCleared™ solution to manage, execute, and certify the deletion of consumer Personal Information stored in vehicles, go to <https://privacy4cars.com> or contact us at info@privacy4cars.com