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February 16, 2026

The Honorable Elizabeth Warren  
Ranking Member  
Senate Committee on Banking, Housing, and Urban Affairs  
534 Dirksen Senate Office Building  
Washington, D.C. 20510

Dear Senator Warren:

Thank you for your February 4, 2026 letter requesting information on auto recovery practices and error rates within the Buy Here Pay Here (BHPH) industry. The National Independent Automobile Dealers Association (NIADA) treats congressional inquiries with the utmost seriousness and makes every effort to respond accordingly.

Unfortunately, NIADA does not collect or maintain data on the specific metrics you requested from our member dealers. Additionally, the information sought in your letter could be regarded as confidential business or trade secret information. As such, NIADA would not have the authority to disclose these details even if they were available within our records.

Contrary to certain reports cited in your letter, recovering a vehicle is a labor-intensive and costly process. It is also a difficult and emotional experience for consumers that finance companies endeavor to avoid initiating whenever possible. The idea that a recovery is an embedded or preferred outcome of the BHPH business model does not reflect the realities of legitimate BHPH operations. Recovery is typically pursued only after all reasonable efforts to help a customer remain current on payments have been exhausted, not as a profit-generating business strategy.

Creditors are financially successful when customers fulfill their agreed-to payment obligations throughout the life of a contract. To that end, many creditors work with customers who are facing temporary hardship, including payment plans or voluntary returns, to avoid recoveries wherever possible. Moreover, on-time payments by customers with thin or imperfect credit histories can assist in improving their credit profiles over time, further supporting long-term financial health and empowerment.

In some instances, customers voluntarily agree to the installation of global positioning systems or starter interrupter devices as part of the sales agreement. These technologies are primarily used to facilitate communication about payment responsibilities, and their presence does not indicate that a recovery is automatic or inevitable. In fact, creditors use these tools to help customers stay on track and reduce instances and the costs of vehicle recovery, recognizing that the best outcome for both the customer and creditor is a fully paid-off vehicle.

NIADA takes pride in its role as the leading advocate and voice for independent automobile dealers in Washington, D.C. Our membership spans the United States and includes both BHPH and retail dealers. NIADA provides extensive continuing education, compliance training, and industry best practices. Encouraging a strong culture of compliance is central to our mission, encompassing not only federal

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regulatory obligations but also state requirements where applicable. NIADA works closely with its state affiliates to offer technical assistance and proactive education, so dealers are apprised of their legal obligations.

Examples of these efforts include, but are not limited to:

- NIADA's annual BHPH Forum, featuring robust best practice seminars and expert-led workshops covering underwriting, collections, and regulatory compliance
- NIADA's annual Convention & Expo, where leading experts in both BHPH and retail compliance deliver extensive classroom instruction
- The Certified Master Dealer program, a highly regarded multi-day training curriculum designed to cover all aspects of dealership operations, compliance practices, and customer-centric business planning
- Ongoing NIADA compliance training, which includes webinars and other educational content addressing key consumer financial protection laws and regulatory frameworks promulgated and enforced by the Consumer Financial Protection Bureau, the Federal Trade Commission, and other federal and state market conduct regulators
- NIADA also serves as a resource for dealers with questions about their federal and state compliance requirements

The above initiatives illustrate NIADA's commitment to fostering professional excellence, strong compliance, and positive outcomes for both creditors and consumers across the industry. The association takes pride in setting the standard for the used car industry and we will remain steadfast in this pursuit moving forward.

If you have any questions, please contact Patrick O'Brien, NIADA's Director of Government Relations and Compliance, at [patrick@niada.com](mailto:patrick@niada.com).

Sincerely,



Jeff Martin  
Chief Executive Officer  
NIADA

cc: The Honorable Tim Scott, Chairman, Senate Committee on Banking, Housing, and Urban Affairs

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