

Motor Vehicle Repossession Services Agreement

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General Information

Motor Vehicle Repossession Services Agreement

This Motor Vehicle Repossession Services Agreement is between a creditor and a company who will repossess a motor vehicle for the creditor. This agreement sets out the specific terms of the arrangement including the territory in which the company will act as creditor's exclusive agent for repossessing vehicles, how assignments will be received and the method of repossession. It also sets out how much the company will be paid for each repossessed vehicle and how custody of the vehicle will be retained.

It is important that this business arrangement be clearly set forth in writing. This type of business is fraught with problems and a well-written Motor Vehicle Repossession Services Agreement will be valuable if there are disagreements or miscommunication between the parties regarding the repossession practices.

Instructions and Checklist

Motor Vehicle Repossession Services Agreement

- Both parties should read the agreement carefully.
- Insert all requested information in the spaces provided on the form.
- The parties should read the "Method of Repossession" and "Custody of Vehicles" provisions carefully. If they are unclear or ambiguous, set out examples to clear up any ambiguity.
- Carefully review the "Assignments" provision. If there are disagreements regarding this agreement, they will likely focus on this provision.
- This form contains the basic terms and language that should be included in similar agreements.
- Both the creditor and agency must sign the service agreement.
- Both parties should retain either an original or copy of the signed agreement.
- All legal documents should be kept in a safe location such as a fireproof safe or safe deposit box.

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MOTOR VEHICLE REPOSSESSION AGREEMENT

Background:

Between

_____ **Creditor**

and

_____ **Agency**, agrees:

Creditor is the owner or collection agent for various retail installment Agreements, granting liens on automobiles. From time to time Creditor requires repossession services when the various Agreement debtors are delinquent on their debts and Creditor herewith agrees with Agency to perform such repossessions.

1. Term:

This Agreement shall commence on _____ and terminate on _____
(Date).

2. Territory:

Agency shall act as the exclusive repossession service within the following territory of _____ (Location).

3. Assignments:

Agency shall only repossess vehicles upon a written order executed by an officer of the Creditor specifying the vehicle type, VIN and borrower's name, or identification of other property. Agency shall not release any vehicle to a person other than an agent of the Creditor.

4. Method of Repossession:

Agency shall repossess the items which are assigned to it without creating a breach of the peace, and in accordance with any laws or regulations related thereto. In the event that any repossession cannot be accomplished without a breach of the peace, Agency shall immediately notify Creditor and shall discontinue attempts to repossess unless the Creditor reassigns the same.

5. Indemnity:

Agency shall indemnify and hold Creditor harmless from any claims related to the repossession activity undertaken by the Agency. Creditor shall indemnify Agency from any claims that Creditor did not have a legal right to seek peaceful repossession of the items assigned.

6. Inventory:

In the event that any vehicle which is repossessed contains personal property, Agency shall have 2 persons witness a complete inventory. A copy of such inventory shall be provided to Creditor. Agency shall release such items of personal property to the debtor upon execution of a receipt of the same.

7. Custody of Vehicles:

During custody of the vehicles, Agency shall use all possible care to protect and safeguard the vehicles, and shall deliver the same as directed by the Creditor, and Creditor's expense, in the same condition as received, any ordinary wear and tear excepted.

8. Sub-contractor:

Agency shall not sub-contract its performance without the previous written consent of the Creditor.

9. Payment:

Agency shall receive payment as follows: _____

Dated: _____

For Creditor

For Agency