

Article - Commercial Law

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§14–2008.

(a) (1) A lessor may repossess a leased motor vehicle if the lessee is in default or a law enforcement agency has seized the motor vehicle and will not unconditionally return the motor vehicle to the lessor.

(2) The lessor may repossess the leased motor vehicle from a lessee only by:

(i) Legal process; or

(ii) Self-help, without use of force.

(b) Nothing in this section authorizes a violation of criminal law.

(c) (1) At least 10 days before a lessor repossesses any leased motor vehicle, the lessor may serve a written notice on the lessee of the intention to repossess the motor vehicle.

(2) The notice shall:

(i) State the default and any period at the end of which the leased motor vehicle will be repossessed; and

(ii) Briefly state the rights of the lessee in case the leased motor vehicle is repossessed.

(d) The notice may be delivered to the lessee personally or sent to the lessee at the lessee's last known address by registered or certified mail.

(e) Within 5 days after the lessor repossesses the leased motor vehicle, the lessor shall deliver to the lessee personally or send to the lessee at the lessee's last known address by registered or certified mail a written notice which states:

(1) The right of the lessee to redeem the leased motor vehicle and the amount payable for it;

(2) The rights of the lessee as to a sale of the motor vehicle and the lessee's liability for a deficiency; and

(3) The exact location where the leased motor vehicle is stored and the address where any payment is to be made.

(f) For 15 days after the lessor gives the notice required by subsection (e) of this section, the lessor shall retain the repossessed motor vehicle.

(g) During the period provided for in subsection (f) of this section, the lessee may:

- (1) Redeem and retake possession of the motor vehicle; and
- (2) Resume the performance of the lease.

(h) To redeem the leased motor vehicle, the lessee shall:

(1) Tender the amount due under the lease at the time of redemption, without giving effect to any provision which allows acceleration of any amounts otherwise payable after that time;

(2) Tender performance of any other promise for the breach of which the motor vehicle was repossessed; and

(3) If the discretionary notice provided for in subsection (c) of this section was given, pay the actual and reasonable expenses of retaking and storing the motor vehicle.

(i) This section does not apply, and the lessor shall have the right to enforce the lease according to its terms, including the default and early termination provisions of the lease and any provision that requires the lessee to pay an amount due at early termination, if:

(1) The date of the default under the lease that led to the present repossession occurred within 18 months after the last repossession; or

(2) The lessee was guilty of fraudulent conduct, intentionally and wrongfully concealed, removed, damaged, or destroyed the motor vehicle, or attempted to do so, and the motor vehicle was repossessed because of that conduct.

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