



## Car repossession

If you bought a car on finance, the creditor probably has a security over the car. This means the car is listed on the Personal Property Securities Register (PPSR) formerly the Register of Encumbered Vehicles (REVS) and you are not allowed to sell it without the creditors permission. For a PPSR check go to [www.ppsr.gov.au](http://www.ppsr.gov.au) or call 1300 007 777.

Read your finance contract to find out your rights and obligations. If you fall behind in car repayments, the creditor should send you a Section 88 Notice telling you how much you are behind and informing you of the number of days to get the payments up to date. If you don't get the payments up to date, the creditor may repossess the car. Repossession may involve the creditor taking the car from your home, place of work or wherever it may be parked. The costs of repossession will be added to the debt.

### What can I do?

- contact the creditor and explain your circumstances. Seek more time or whatever you need.
- don't promise something you cannot fulfil. Creditors often push consumers into promising more than can be done and then become angry when the promise is broken
- seek free and confidential financial counselling by calling 1800 007 007
- apply for a hardship variation (if there has been temporary financial hardship)
- make an offer to the creditor
- sell the car (with the lender's permission). Perhaps you can get by with a cheaper model or without a car

### What happens after repossession?

After repossessing the car, the creditor should send you a legal notice with an estimate of the value of the car. The legal notice should inform you of the number of days you have to pay the arrears and bring the account to order to stop repossession. You could nominate a purchaser of the car who offers to pay the creditor the estimated (or greater) amount for the car. See <http://www.cclcnsw.org.au> for more information on car repossession. If you do nothing, the creditor will sell the car and you will be liable for the balance of the debt. Note that the creditor might sell the car for less than the estimated value, so letting the creditor sell the car is very risky.

DISCLAIMER: The information provided in this information sheet is of a general nature only, and is not intended to be legal advice. There may be errors or inaccuracies or the information may not be completely up-to-date. Always check the information provided before relying on it. The information relates to consumer law in New South Wales, Australia.