



## Hudson Cook Enforcement Alert: DOJ Settles Case with Used Car Retailer over Alleged SCRA Violations

February 25th, 2026 | and [Kristen Yarows](#)

### HIGHLIGHTS:

- The U.S. Department of Justice announced a settlement with the nation's largest used car retailer (the "Company") over allegations that the Company's policies and procedures resulted in violations of the Servicemembers Civil Relief Act ("SCRA").
- The settlement agreement requires the Company to pay at least \$420,000 in damages to impacted servicemembers, pay a \$79,380 penalty, submit credit trade line deletion requests on behalf of the impacted servicemembers, and re-write its SCRA policies and procedures.

### CASE SUMMARY:

On February 23, 2026, the DOJ reached a settlement with the nation's largest used car retailer over allegations that the Company violated the SCRA by repossessing vehicles of servicemembers without court orders. The DOJ alleged that the Company repossessed at least twenty-eight vehicles owned by servicemembers in violation of the SCRA.

Specifically, the DOJ alleged that the majority of these violations occurred as a result of the Company's policies. The DOJ alleged that the policies did not require the Company to search the Defense Manpower Data Center (DMDC) website to determine an owner's military status prior to repossessing a vehicle that was in charge-off status. The DOJ also alleged that the policies did not prohibit the Company from repossessing vehicles owned by certain military reserve members who had received orders to report for military service at a future date. The DOJ also alleged that the Company repossessed some vehicles after consumers informed the Company that they were servicemembers.

While the Company did not admit fault, it agreed to pay at least \$420,000 in damages to impacted servicemembers and a civil penalty of \$79,380 to the United States. The settlement agreement also requires the Company to submit improved SCRA policies and procedures and training materials to the DOJ for its review and approval. The settlement agreement also requires the Company to submit credit trade line deletion requests to the credit bureaus on behalf of the impacted servicemembers.

### RESOURCES:

You can review all of the relevant court filings and press releases at the [DOJ's News Page](#).

- [Press Release](#)

- [Settlement Agreement](#)

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