

**SETTLEMENT AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND
CARMAX, INC.**

I. INTRODUCTION

1. This Settlement Agreement (“Agreement”) is made and entered into by and between the United States of America (the “United States”) and CarMax, Inc. (“CarMax”). The United States and CarMax are referred to herein as the “Parties.”

II. RECITALS

2. This Agreement resolves the United States’ allegations that CarMax engaged in a pattern or practice of violating the Servicemembers Civil Relief Act (“SCRA”), 50 U.S.C. §§ 3952(a) and § 3917(a), by repossessing, without court orders, the vehicles of at least twenty-eight (28) servicemembers who were in military service or had been called to military service in the Armed Forces of the United States. The United States alleges that the majority of these violations occurred as a result of CarMax’s policies, which: (1) 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 a “charge off” status, and (2) did not prohibit the company from repossessing vehicles owned by members of a reserve component who had received orders to report for military service at a future date. In addition, the United States alleges that CarMax repossessed some vehicles even after the borrowers told them that they were in military service. The United States further alleges that CarMax’s violations raise an issue of significant public importance.

3. The Parties agree that, to avoid the delay, uncertainty, inconvenience, and expense of protracted litigation, the claims against CarMax shall be resolved without legal proceedings or an evidentiary hearing. Therefore, as indicated by the signatures appearing below, the United States and CarMax agree to this Settlement Agreement. This Settlement Agreement comes without the taking of proof and does not constitute evidence or findings against or an admission

of any Party. Defendant neither admits nor denies any of the allegations made by the United States.

4. The effective date of this Agreement will be the date of the signature of the last signatory to the Agreement. Facsimiles of signatures shall constitute acceptable, binding signatures for the purposes of this Agreement.

III. STATEMENT OF CONSIDERATION

5. In consideration of, and consistent with, the terms of this Agreement, the United States will not pursue claims against CarMax relating to the United States' allegation that from March 1, 2018, through at least October 24, 2023, CarMax unlawfully repossessed servicemembers' vehicles without court orders in violation of 50 U.S.C. §§ 3952(a) and 3917(a). The Parties agree and acknowledge that this consideration is adequate and sufficient.

IV. TERMS AND CONDITIONS

The Parties agree and covenant as follows:

A. Compliance with the SCRA and SCRA Policies and Procedures

6. CarMax and its affiliates, subsidiaries, officers, employees, agents, and representatives, including its contractors and vendors, shall be required to comply fully with all relevant provisions of the SCRA prohibiting the repossession of motor vehicles from servicemembers without a court order.

7. Within thirty (30) days, CarMax shall send to the United States proposed SCRA policies and procedures for motor vehicle repossessions that comply with Sections 3952(a) and 3917(a) of the SCRA. These policies and procedures must include the following provisions:

- a. CarMax shall review any military service information provided by borrowers and conduct Department of Defense Manpower Data center ("DMDC") searches (i) no more than two (2) business days before referring a vehicle for repossession; (ii) no

more than two (2) business days after obtaining possession of the motor vehicle; and (iii) no more than two (2) business days before the vehicle is sold or disposed of. These search requirements shall apply to all accounts, including accounts in a “charge off” status.

- b. If the military service information or DMDC searches indicate the borrower or co-borrower is an SCRA-protected servicemember¹, CarMax shall not refer the vehicle for repossession or repossess the vehicle without first obtaining a court order or valid SCRA waiver in the form attached as Exhibit A.
- c. If CarMax learns that a borrower or co-borrower is an SCRA-protected servicemember after obtaining possession of the vehicle but before the vehicle is sold or disposed of, within one business day, CarMax shall attempt to verbally contact the borrower and offer to arrange to return the vehicle or obtain a voluntary surrender and waiver of SCRA benefits. If the borrower does not wish to receive the vehicle but will not provide a written waiver, CarMax must obtain a court order before it can dispose of the vehicle and shall reverse on the borrower’s account all of the charges resulting from the repossession. CarMax shall also correct any

¹ For purposes of this Agreement, the term “SCRA-protected servicemember” includes servicemembers as defined in 50 U.S.C. § 3911(1) and (2) and 50 U.S.C. § 3952. Servicemembers with loans that are covered by 50 U.S.C. § 3952 are granted protection against repossession during the period of military service. The SCRA also grants additional periods of protection for reservists ordered to report for military service and persons ordered to report for induction. *See* 50 U.S.C. § 3917. The period of time beginning when member of a reserve component has received orders to report for military service and ending on the date on which the member reports for military service (or, if the order is revoked before the member so reports, or the date on which the order is revoked) is commonly referred to as an “early alert period.” Therefore, for purposes of this Agreement, an “early alert period” shall be included as a protected period for servicemembers at the time of repossession. However, since such periods are not included in the definition of “military service” in 50 U.S.C. § 3911, they are not considered military service at the time of loan origination or payment of a deposit or first installment.

negative credit reporting related to the repossession. If CarMax cannot make contact with the borrower within one business day, CarMax shall cause the vehicle to be returned to the location where possession was taken no more than three (3) business days after obtaining possession, unless: (1) return to such location presents a significant risk of damage to the vehicle; (2) return to such location presents a significant risk that the vehicle will be impounded; (3) the borrower has previously informed CarMax that the vehicle has been abandoned; or (4) the vehicle was recovered under circumstances suggesting that the vehicle was abandoned. If the vehicle is not returned to the location where possession was taken because one of the four conditions listed above is met, CarMax shall make no fewer than three (3) additional attempts to reach the borrower based upon contact information in CarMax's files and return the vehicle within one business day of a borrower's request for return, without charging any repossession-related fees. The vehicle shall not be sold or otherwise disposed of until the contact attempts referenced in this subparagraph have been made and CarMax has obtained a court order or a valid written waiver in the form attached as Exhibit A.

- d. If CarMax attempts to obtain a court order authorizing a repossession, it must file an affidavit with the court that complies with 50 U.S.C. § 3931.
- e. CarMax may take possession of a motor vehicle even when the borrower is a servicemember: (1) upon receiving notice that a vehicle has been impounded by a non-related third-party; or (2) when a vehicle has been left at a CarMax dealership without prior notice or acceptance by CarMax or the dealership,. CarMax must, however, provide notice to the servicemember that it has taken possession and must not dispose of the vehicle until CarMax has made reasonable efforts to contact the

servicemember and has obtained a court order or a valid written waiver in the form attached as Exhibit A.

8. The United States will review CarMax's SCRA policies and procedures and respond in writing within thirty (30) days after receipt. If the United States objects to any part of the SCRA policies and procedures, the Parties shall confer to resolve their differences.

9. CarMax must begin implementing SCRA policies and procedures within seven (7) days of the approval of the United States, to the extent it has not already done so.

10. If, at any time during the term of this Agreement, CarMax proposes to materially change its SCRA policies and procedures, it shall first provide a copy of the proposed changes to counsel for the United States. If the United States does not deliver written objections to CarMax within twenty (20) days of receiving the proposed changes, the changes may be implemented. If the United States makes any objections to the proposed changes within the twenty (20) day period, the specific changes to which the United States objects shall not be implemented until the objections are resolved.

B. Training

11. Within thirty (30) days of receiving final approval of SCRA policies and procedures, CarMax must develop and submit to the United States the curriculum, instructions, and any written materials included in the training to be given to all CarMax employees who (a) provide customer service to borrowers or (b) are involved in the repossession of motor vehicles.

12. The United States will review CarMax's SCRA training materials and shall have thirty (30) days from receipt of these documents to raise any objections to the training materials, and, if it raises any, the Parties shall confer to resolve their differences.

13. Within thirty (30) days of final approval of CarMax's SCRA training materials, all CarMax employees who provide customer service to borrowers or are involved in the repossession

of motor vehicles must receive the training and execute a signed statement at Exhibit B acknowledging that they have received such training. SCRA training must be conducted for all employees who provide customer service to borrowers or are involved in the repossession of motor vehicles at least once a year during the term of the Agreement. For the duration of this Agreement, copies of those signed statements shall be provided to the United States upon request. CarMax shall also certify in writing to counsel for the United States that all employees successfully completed the trainings required by this Paragraph. CarMax will pay any expenses associated with the trainings required by this Paragraph.

14. CarMax must also ensure that any employee who subsequently becomes involved in SCRA compliance or repossession activities receives the SCRA training within thirty (30) days of their hiring, promotion, or transfer.

C. Compensation for Aggrieved Servicemembers

15. Within fourteen (14) days, CarMax will deposit FOUR HUNDRED AND TWENTY THOUSAND DOLLARS (\$420,000) into an interest-bearing escrow account to fund compensation payments to the twenty-eight (28) aggrieved servicemembers and their co-borrowers identified by the United States. The United States has provided a list of these servicemembers and co-borrowers to CarMax. CarMax will deposit into the escrow account all necessary additional funds to make compensation payments required by the Agreement. CarMax will provide written verification of the deposit to the United States within fifteen (15) days of the effective date of this Agreement. Any interest that accrues will become part of the Settlement Fund and will be used and disposed of as set forth herein. Any taxes, costs, or other fees related to the escrow account shall be paid by CarMax.

16. Within thirty (30) days of the effective date of this Agreement, CarMax shall provide to the United States an electronically searchable list of all its repossessions between

October 25, 2023 and the effective date of this Agreement. The list shall be in Microsoft Excel format and shall contain the following information: (1) the account number; (2) the borrower's first name, last name and social security number; (3) the co-borrower's first name, last name and social security number; (4) the date of the loan; and (5) the date of the repossession. The United States shall run this list through the DMDC database and undertake any independent investigation it deems appropriate to identify any additional repossessions that violated the SCRA. The United States shall provide CarMax with the list of additional repossessions that violated the SCRA. If CarMax objects to any additional violations, it shall have thirty (30) days to produce evidence of compliance to the United States. After considering in good faith all evidence produced by CarMax, the United States shall make a final determination of the additional violations.

17. For each repossession identified as a violation, CarMax shall provide the following compensation:

- a. An amount of FIFTEEN-THOUSAND DOLLARS (\$15,000), less any cash payments already made by CarMax to the borrower(s) for the purpose of remediating such repossession;
- b. Any lost equity in the repossessed motor vehicle, as calculated by subtracting any outstanding principal, interest, and other amounts owing by the borrowers (excluding any fees associated with repossession), plus any liens at the time of repossession and any disbursements made to the servicemember or a third-party other than a lien holder from the proceeds of the repossession sale (exclusive of any fees associated with the repossession) from the retail value of the motor vehicle at the time of repossession as identified in the National Automobile Dealers Association ("NADA") Guide, taking into account vehicle condition and/or mileage as determined as part of the sale and reconditioning process; and

- c. Interest accrued on this lost equity, calculated from the date of the repossession sale until the date payment is issued, at the rate set forth in 28 U.S.C. § 1961.

18. CarMax shall provide the United States with all records used to make the payment calculations described in Paragraph 17 for the United States' review and approval. CarMax shall conduct the settlement administration activities as set forth herein. CarMax shall bear all costs and expenses of settlement administration. CarMax shall work cooperatively with the United States in the conduct of its activities, including reporting regularly and providing all reasonably requested information to the United States.

19. The amount described in Paragraph 17(a) shall be paid entirely to each servicemember who is identified on the note securing the motor vehicle or lease. The amounts described in Paragraph 17(b) and (c) shall be distributed equally among all co-borrowers.

20. CarMax shall establish and maintain throughout the contract period, multiple cost-free means for affected servicemembers to contact it, including an electronic mail address, a website, and a toll-free telephone number.

21. For repossessions identified pursuant to Paragraphs 15 and 16, CarMax shall notify each identified servicemember by letter (using wording mutually agreeable to CarMax and the United States) within thirty (30) days of the effective date of this Agreement. For repossessions where money is due to a non-servicemember co-borrower pursuant to Paragraph 19, CarMax shall notify each identified non-servicemember owner by letter (using wording mutually agreeable to CarMax and the United States) within fifteen (15) days of receiving the Declaration from the servicemember-borrower. CarMax will provide the United States with samples of all letters, and receive the United States' approval of the sample letters, before mailing any letter required by this Paragraph, and all letters mailed pursuant to this Paragraph shall be accompanied by the Declaration at Exhibit C and the Release at Exhibit D (in the case of

a servicemember owner) or the Release at Exhibit D (in the case of a non-servicemember owner). CarMax shall skip trace and redeliver any notification that is returned as undeliverable. CarMax shall adopt effective methods, as requested by the United States, to make contact with, and obtain a response from each identified servicemember and non-servicemember owner. If the identified servicemember's vehicle is on a sale hold and the servicemember fails to return the Declaration and Release or otherwise respond to CarMax's letter within ninety (90) days, CarMax shall seek a court order to sell the servicemember's repossessed vehicle.

22. CarMax shall issue and mail compensation checks no later than fourteen (14) days after receipt of a signed Declaration and Release. CarMax shall skip trace and redeliver any payment that is returned as undeliverable, or that is not deposited or cashed within six (6) months.

23. CarMax shall, for a period of four (4) years following the effective date of this Agreement, provide the United States with a monthly accounting of all declarations received, checks issued (including copies of issued checks), and notifications without responses or that were returned as undeliverable.

24. Any money not distributed from the escrow account, including accrued interest, within four (4) years of the date the initial notifications are sent to persons eligible for the compensation payments required by Paragraph 21 will be distributed to the United States Treasury in the form of an electronic funds transfer pursuant to written instructions to be provided by the United States.

25. CarMax will not be entitled to a set-off, or any other reduction, of the amount of payments required by Paragraph 17 because of any debts owed by the recipient, except in the calculation of lost equity as provided by Paragraph 17(b).

26. No individual may obtain review by the Parties of the identifications made, and payments disbursed, pursuant to Paragraphs 15-22.

D. Other Relief

27. Within thirty (30) days following the effective date of this Consent Order, CarMax shall request that all the credit bureaus to which it reports delete trade lines for accounts belonging to servicemember(s) and any co-borrowers identified pursuant to Paragraph 15. Within thirty (30) days of the United States' determination provided in Paragraph 16, CarMax shall request that all the credit bureaus to which it reports delete trade lines for accounts belonging to servicemember(s) and any co-borrowers identified pursuant to Paragraph 16. If Defendant timely makes the request for deletion, any failure of the credit bureaus to delete shall not constitute a breach of this Order or otherwise give rise to liability on the part of Defendant for such failure. Further, CarMax shall not pursue, directly or indirectly through any authorized third party further payment on such accounts, and will indemnify the servicemember and his or her co-borrower(s) against any such action brought by or on behalf of CarMax by any such authorized third party, and must refund any amounts the servicemember and his or her co-borrower(s) have paid toward any deficiency that was remaining on the loan after the repossession.

28. Within thirty (30) days after completion of its obligations in Paragraph 27, Defendant shall certify to the United States that it has requested deletion of the tradelines associated with each of the identified accounts.

E. Civil Penalty

29. Within thirty (30) days, CarMax shall pay a total of SEVENTY-NINE THOUSAND THREE HUNDRED AND EIGHTY DOLLARS (\$79,380) to the United States Treasury as a civil penalty, pursuant to 50 U.S.C. § 4041(b)(3) and 28 C.F.R. § 85.5, to vindicate

the public interest. Payment shall be made by electronic funds transfer pursuant to written instructions to be provided by the United States Attorney's Office for the Eastern District of Virginia.

F. Additional Reporting and Record-Keeping Requirements

30. For the duration of this Agreement, CarMax shall retain all records relating to its obligations set forth herein. The United States shall have the right to request, review, and copy any of those records, including electronic data, upon reasonable request during the term of the Agreement.

31. CarMax shall provide the United States with a written report every six months regarding any SCRA or military-related complaints received, whether the complaint is made orally or in writing. CarMax shall provide a copy of any written complaints. Whether regarding a written or oral SCRA complaint, the notification to the United States shall include the full details of the complaint, including the complainant's name, address, telephone number, and email address. CarMax shall also properly provide the United States with all information it may request concerning any such complaint and shall inform the United States in writing within thirty (30) days of the terms of any resolution of such complaint. If the United States raises any objections to CarMax's actions, the Parties shall meet and confer to consider appropriate steps to address the concerns raised by the United States' review.

V. SCOPE OF SETTLEMENT AGREEMENT

32. The provisions of this Agreement shall apply to CarMax. They shall also apply to all related entities, subsidiaries, parents, predecessors, successors, and affiliates and all of its past and present directors, officers, agents, managers, supervisors, shareholders, and employees and their heirs, executors, administrators, successors or assigns.

33. In the event that CarMax is acquired by or merges with another entity, CarMax shall, as a condition of such acquisition or merger, obtain the written agreement of the acquiring or surviving entity to be bound by any obligations remaining under this Agreement for the remaining term of this Agreement.

34. This Agreement does not release claims for practices not addressed in this Agreement, and it does not resolve and release claims other than the claims for violations of Sections 3952(a) and 3917(a) of the SCRA identified in this Agreement. This Agreement does not release any claims that may be held or are currently under investigation by any other federal or state agency or entity.

35. Nothing in this agreement will excuse CarMax's compliance with any currently or subsequently effective provision of law or order of a regulator with authority over CarMax that imposes additional obligations on it.

VI. IMPLEMENTATION AND ENFORCEMENT

36. This agreement shall be in effect for a period of four (4) years from its effective date.

37. The United States may review compliance with this Agreement at any time. CarMax agrees to cooperate with the United States in any review of compliance with this Agreement. Upon reasonable notice, CarMax shall permit counsel for the United States to inspect and copy all non-privileged records pertinent to this Agreement.

38. The Parties shall endeavor in good faith to resolve informally any differences regarding the interpretation of, and compliance with, this Agreement prior to initiating court action. However, in the event that the United States contends there has been a failure by CarMax, whether willful or otherwise, to perform in a timely manner any act required by this Agreement or otherwise comply with any provision thereof, the United States will notify CarMax in writing of

its concerns and the Parties will attempt to resolve those concerns in good faith. CarMax shall have fifteen (15) days from the date the United States provides notification of any breach of this Agreement to cure the breach.

39. If the Parties are unable to reach a resolution within 15 days, the United States may bring a civil action for breach of this Agreement, or any provision thereof, in the United States District Court for the Eastern District of Virginia, which shall serve as the exclusive jurisdiction and venue for any dispute concerning this Agreement. The parties consent to and agree not to contest the jurisdiction of the United States District Court for the Eastern District of Virginia. The Parties further acknowledge that venue in the Eastern District of Virginia is appropriate and agree not to raise any challenges on this basis.

40. In the event the United States files a civil action as contemplated by Paragraph 39 to remedy breach of this Agreement, the United States may seek the following: (1) an injunction mandating specific performance of any term or provision in this Agreement, without regard to whether monetary relief would be adequate; (2) an award of reasonable attorneys' fees and costs incurred in bringing an action to remedy breach of this Agreement; and (3) any additional relief that may be available under law or equity. If such a civil action is filed, CarMax expressly agrees not to count the time during which this Agreement is in place, or use the terms or existence of this Agreement, to plead, argue, or otherwise raise any defenses under theories of claim preclusion, issue preclusion, statute of limitations, estoppel, laches, or similar defenses.

41. The Parties shall be responsible for their own attorneys' fees and costs, except as provided for in Paragraph 40.

42. Failure by the United States to enforce any provision of this Agreement shall not operate as a waiver of the United States' right or ability to enforce any other provision of this Agreement.

VII. EXECUTION AND OTHER TERMS

43. This Agreement may be executed in multiple counterparts, each of which together shall be considered an original but all of which shall constitute one agreement.

44. Each Party and signatory to this Agreement represents that it freely and voluntarily enters into this Agreement without any degree of duress or compulsion.

45. For purposes of construing this Agreement, this Agreement shall be deemed to have been drafted by all Parties to this Agreement and shall not, therefore, be construed against any Party for that reason in any subsequent dispute.

46. This Agreement constitutes the complete agreement between the Parties. No prior or contemporaneous communications, oral or written, or prior drafts shall be relevant or admissible for purposes of determining the meaning of any provision herein or in any other proceeding.

47. This Agreement is governed by and shall be interpreted under the laws of the United States.

48. The undersigned represent and warrant that they are fully authorized to execute this Agreement on behalf of the entities indicated below.

49. Except where this Agreement expressly conditions or predicates performance of a duty or obligation upon the performance of a duty or obligation by another Party, the performance of one Party's duties or obligations under this Agreement shall not be discharged or excused by the actual or alleged breach of the duties and obligations by another Party.

50. This Agreement is a public document. All parties consent to the United States' disclosure of this Agreement, and information about this Agreement, to the public and to CarMax's separate and independent issuance of public statements about this Agreement and the subject matter hereof, subject to any applicable privacy laws.

51. Should any provision of this Agreement be declared or determined by any court to be illegal or invalid, the validity of the remaining parts, terms, or provisions shall not be affected thereby and said illegal or invalid part, term, or provision shall be deemed not to be a part of this Agreement.

52. The Parties agree that they will not, individually or in combination with another, seek to have any court declare or determine that any provision of this Agreement is illegal or invalid.

53. The Parties agree that they will defend this Agreement against any challenge by any third party. In the event that this Agreement or any of its terms is challenged by a third party in a court other than the United States District Court for the Eastern District of Virginia, the Parties agree that they will seek removal and/or transfer to the United States District Court for the Eastern District of Virginia.

54. This Agreement may be modified only with the written consent of the Parties. Any modifications must be in writing and signed by the Parties through their authorized representatives.

For the UNITED STATES OF AMERICA

Dated: February 23, 2026

HARMEET K. DHILLON
Assistant Attorney General
Civil Rights Division

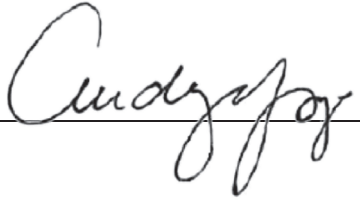
CARRIE PAGNUCCO
Chief, Housing and Civil Enforcement
Section

ELIZABETH A. SINGER
Director, U.S. Attorneys' Fair Housing Program
Housing and Civil Enforcement Section

FRANK BRADSHER
Executive Assistant United States Attorney
Eastern District of Virginia

By: 

TANZANIA JAYSURA
Assistant U.S. Attorney
United States Attorney's Office
2100 Jamieson Avenue
Alexandria, VA 22314
Phone: (703) 299-3743
Tanzania.Jaysura@usdoj.gov

By: 
AUDRI
Trial At
United States Department of Justice
Civil Rights Division
Housing and Civil Enforcement Section
950 Pennsylvania Avenue NW—4 CON
Washington, DC 20530
Phone: (202) 514-4713
Audrey.Yap@usdoj.gov

For CARMAX, INC.

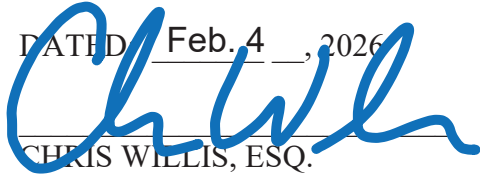
DATED: _____, 2026

CHRIS WILLIS, ESQ.
MEGAN RAHMAN, ESQ.
Troutman Pepper Locke LLP
Peachtree Street NE, Suite 3000
Atlanta, GA 30308

By: /s/ _____
AUDREY M. YAP
Trial Attorney
United States Department of Justice
Civil Rights Division
Housing and Civil Enforcement Section
950 Pennsylvania Avenue NW—4 CON
Washington, DC 20530
Phone: (202) 514-4713
Audrey.Yap@usdoj.gov

For CARMAX, INC.

DATED Feb. 4, 2026



CHRIS WILLIS, ESQ.
MEGAN RAHMAN, ESQ.
Troutman Pepper Locke LLP
Peachtree Street NE, Suite 3000
Atlanta, GA 30308

EXHIBIT A

IMPORTANT NOTICE AFFECTING MILITARY SERVICEMEMBERS' RIGHTS AND PROTECTIONS AFFORDED UNDER THE SERVICEMEMBERS CIVIL RELIEF ACT

Attached to this notice you will find a waiver of rights and protections that may be applicable to you and your dependents pursuant to the Servicemembers Civil Relief Act, 50 U.S.C. § 3901, *et seq.* (the “SCRA”). The SCRA provides military personnel and their dependents a wide range of legal and financial protections. Among other benefits and protections, the SCRA:

- Prohibits the repossession of a servicemember’s vehicle without a court order during a period of military service, or after a member of a reserve component has received orders to report for military service, as long as a deposit or at least one installment payment was made before the borrower entered into that period of military service.
- Upon notice by the servicemember and the submission of military orders, imposes a 6% maximum rate of interest that may be charged during military service on loans incurred before the servicemember began his or her current period of military service.
- Postpones court actions against servicemembers under certain circumstances.
- Permits servicemembers to terminate motor vehicle and residential leases upon receipt of certain military orders.

If you choose to sign the attached waiver, CarMax, Inc. (“CarMax”) will have the option to proceed with a repossession of your motor vehicle without the protections of the SCRA. If you do not sign this waiver, CarMax will be required to provide you the protections of the SCRA if you took out your loan and made a down payment on the motor vehicle, or at least one payment on the loan, when you were not in military service. Additionally, if CarMax goes to court to repossess your motor vehicle, the court may take steps to ensure that a judgment is not entered against you if you are unable to appear in the case.

This waiver applies only to your SCRA rights related to motor vehicle repossessions; you are not waiving any other SCRA protections that you may have. Before waiving these important statutory rights, you should consult an attorney regarding how best to exercise your rights or whether it is in your interest to waive these rights under the conditions offered by CarMax.

For More Information:

- **CONSULT AN ATTORNEY:** To fully understand your rights under the law, and before waiving your rights, you should consult an attorney.
- **JAG / LEGAL ASSISTANCE:** Servicemembers and their dependents with questions about the SCRA should contact their unit’s Judge Advocate, or their installation’s Legal Assistance Officer. A military legal assistance office locator for all branches of the Armed Forces is available at <https://legalassistance.law.af.mil>.
- **MILITARY ONESOURCE:** “Military OneSource” is the U.S. Department of Defense’s information resource. Go to <https://www.militaryonesource.com>.

**AGREEMENT AND WAIVER OF RIGHTS UNDER
SERVICEMEMBERS CIVIL RELIEF ACT**

I _____ am a servicemember OR the duly authorized agent or attorney-in-fact of _____, a servicemember, pursuant to a power of attorney dated _____ and I am aware that I have protections available to me under the Servicemembers Civil Relief Act (SCRA). This includes, but is not limited to, the right not to have a lender repossess my motor vehicle or personal property without a court order.

By signing this waiver, I acknowledge and agree that:

- I have read and understood the attached IMPORTANT NOTICE TO MILITARY SERVICEMEMBERS.
- I am waiving my right to have a court rule on whether CarMax, Inc. (“CarMax”) can repossess my motor vehicle, a [YEAR] [MAKE] [MODEL] [VIN] (the “Vehicle”), in accordance with 50 U.S.C. § 3952(a)(1).
- I understand that if the vehicle sells for less than I still owe on the loan, I may be responsible for the difference (“deficiency balance”), plus accrued interest.
- In exchange for waiving my SCRA rights with respect to the Vehicle, CarMax agrees to waive the recovery of any storage costs, attorneys’ fees, and any other fees and costs incurred in connection with the repossession or sale of the vehicle. CarMax will also attempt to return any personal property I left in my vehicle.
- This Waiver shall have no effect on my right to receive any excess proceeds from the sale of the Vehicle as provided by state law.
- This waiver is made voluntarily, without coercion, duress or compulsion. I understand the terms of this waiver of rights and acknowledge that I was advised to consult with an attorney regarding this waiver and the protections afforded by the SCRA.

Subject to the above provisions, I hereby waive and give up any right I may have to have a court rule on the repossession of the Vehicle.

Dated: _____

By: _____

Signature

Print Name

For: CarMax, Inc.

Dated: _____

By: _____

Signature

Print Name

EXHIBIT B

EMPLOYEE ACKNOWLEDGMENT

I acknowledge that on _____, 20__, I was provided training regarding SCRA compliance and copies of the SCRA Policies and Procedures that are applicable to my duties. I have read and understand these documents and have had my questions about these documents and the SCRA answered. I understand my legal responsibilities and shall comply with those responsibilities.

[PRINT NAME]

[SIGNATURE]

[JOB TITLE]

[DATE]

EXHIBIT C

DECLARATION

I, [INSERT NAME], do hereby declare and state as follows:

1. I owned a vehicle obtained through a loan with CarMax, Inc. through its subsidiary [SUBSIDIARY NAME], Loan Number [LOAN NUMBER], which was repossessed.
2. I obtained the loan on or about [LOAN FUNDING DATE].
3. On or about [REPOSSESSION DATE], I WAS either:
 - i. on a covered period of military service; OR
 - ii. a member of a reserve component (Reserves or National Guard) and had received orders to report for a covered period of military service.

Please consider the following additional information in support of this Declaration:

I confirm that the foregoing is true and correct.

Executed this _____ day of _____, 20__.

SIGNATURE: _____

PRINT NAME: _____

APPENDIX REGARDING MILITARY SERVICE

As used in this Declaration, a “covered period of military service” is any of the following:

- a) Full-time active duty with the armed forces of the United States (Army, Navy, Air Force, Marine Corps, Coast Guard, or Space Force), including National Guard members serving under orders issued under Title 10 of the United States Code;
- b) A period of active service with the National Guard:
 - i) authorized by the President or the Secretary of Defense;
 - ii) longer than thirty (30) consecutive days;
 - iii) under orders issued under Section 502(f) of Title 32 of the United States Code; and
 - iv) for the purpose of responding to a national emergency declared by the President and supported by federal funds.
- c) Active service as a commissioned officer of the Public Health Service or the National Oceanic and Atmospheric Administration; or
- d) A period of time during which I was a servicemember absent from duty on account of sickness, wounds, leave, or other lawful cause.

If you have any additional questions about whether your service constitutes a “covered period of military service” for purposes of this declaration, please contact the Department of Justice at 202-514-4713 and reference the CarMax SCRA case.

EXHIBIT D

RELEASE

Pursuant to the Settlement Agreement resolving the United States' allegations that CarMax, Inc. ("CarMax") violated the Servicemembers Civil Relief Act, and in consideration of CarMax's payment to me of \$ [AMOUNT], I, [(CO)BORROWER OR (CO)LESSEE'S NAME], hereby release and forever discharge all claims, arising prior to the date of this Release, related to the facts at issue in the settlement referenced above and related to the alleged violation of Section 3952(a) of the Servicemembers Civil Relief Act, that I may have against CarMax and all related entities, parents, predecessors, successors, subsidiaries, and affiliates and all of its past and present directors, officers, agents, managers, supervisors, shareholders, and employees and its heirs, executors, administrators, successors or assigns. I hereby waive any rights I may have under the Servicemembers Civil Relief Act relating to the repossession and sale of my motor vehicle, a [YEAR] [MAKE] [MODEL] [VIN] (the "Vehicle") by CarMax.

Executed this _____ day of _____, 202_.

SIGNATURE: _____

PRINT NAME: _____

MAILING ADDRESS WHERE CHECK SHOULD BE SENT:

