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Senate BILL NO. 142
INTRODUCED BY *Reynolds Flynn*

A BILL FOR AN ACT ENTITLED: "AN ACT RELATING TO THE ASSIGNABILITY OF CONSUMER PAPER."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Consumer paper not assignable without consent. (1) If any contract for sale or lease of consumer goods or services on credit entered into between a retail seller and a retail buyer requires or involves the execution of a promissory note or instrument or other evidence of indebtedness of the buyer, the note, instrument or evidence of indebtedness shall have printed on the face thereof the words "consumer paper", and the note, instrument or evidence of indebtedness with the words "consumer paper" printed thereon shall not be assigned to any party without the written consent of the retail buyer except that no such consent shall be necessary for assignment from a financial institution to the original retail seller. Any attempted assignment in violation of this provision shall be unenforceable.

(2) An assignee of the rights of the seller or lessor of consumer goods on credit is subject to all claims and defenses of the buyer or lessee against the seller or lessor

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arising out of the sale or lease. Any agreement to the contrary shall be of no force or effect in limiting the rights of a consumer under this section. The assignee's liability under this section may not exceed the amount owing to the assignee at the time the claim or defense is asserted against the assignee.

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