SENATE BILL NO. 139

INTRODUCED BY THAYER, CHRISTIAENS

IN THE SENATE

January 18, 1985	Introduced and referred to Committee on Business and Industry.
January 29, 1985	Committee recommend bill do pass. Report adopted.
January 30, 1985	Bill printed and placed on members' desks.
January 31, 1985	Second reading, do pass.
February 1, 1985	Considered correctly engrossed.
February 2, 1985	Third reading, passed. Ayes, 42; Noes, 1.
	Transmitted to House.
IN T	HE HOUSE
February 27, 1985	Introduced and referred to Committee on Business and Labor.
x 1 0 1005	
March 8, 1985	Committee recommend bill be concurred in. Report adopted.
March 8, 1985 March 9, 1985	
	concurred in. Report adopted.
March 9, 1985	concurred in. Report adopted. Second reading, concurred in.
March 9, 1985 March 12, 1985	concurred in. Report adopted. Second reading, concurred in. Third reading, concurred in.
March 9, 1985 March 12, 1985	concurred in. Report adopted. Second reading, concurred in. Third reading, concurred in. Returned to Senate.
March 9, 1985 March 12, 1985 IN T	concurred in. Report adopted. Second reading, concurred in. Third reading, concurred in. Returned to Senate.

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A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING A SELLER WHO
IS SUBJECT TO FEDERAL DISCLOSURE REQUIREMENTS THE OPTION OF
INCLUDING THE DISCLOSURE LANGUAGE OF SECTION 31-1-231, MCA,
IN THE RETAIL INSTALLMENT CONTRACT; AMENDING SECTION
31-1-231, MCA."

9

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

11 Section 1. Section 31-1-231, MCA, is amended to read: 12 "31-1-231. Requirements of retail installment 13 contracts. (1) Each retail installment contract shall be in 14 writing, signed by both the buyer and the seller, and 15 completed as to all essential provisions prior to the signing of the contract by the buyer. However, if a retail 16 installment transaction is a sale of goods other than a 17 18 motor vehicle where no title, lien, or other security 19 interest is retained or taken by the seller, then the retail 20 installment contract need not be contained in a single 21 document. In such case, if the contract is contained in more 22 than one document, then one such document may be an original document executed by the retail buyer applicable to 23 24 purchases of goods or services to be made by the retail 25 buyer from time to time, and in such case such document,

Montana Legislative Council

together with the sales slip, account book, or other written
 statement relating to each purchase, shall set forth all of
 the information required by this section and shall
 constitute the retail installment contract for each such
 purchase.

6 (2) The printed portion of the contract, other than 7 instructions for completion, shall be in at least 8-point 8 type. The contract shall contain the following notice in a 9 size equal to at least 10-point bold type:

10 "1. Notice to the buyer. Do not sign this contract11 before you read it or if it contains any blank spaces.

You are entitled to an exact copy of the contract
 you sign.

14 3. Under the law, you have the right to pay off in
15 advance the full amount due and to obtain a partial refund
16 of the finance charge."

17 (3) If the contract covers the sale of a motor 18 vehicle, it shall also contain, in a size equal to at least 19 10-point bold type, a specific statement that liability 20 insurance coverage for bodily injury and property damage 21 caused to others is not included if that is the case.

22 (4) The contract shall contain the names of the seller 23 and the buyer, the place of business of the seller, the 24 residence or place of business of the buyer as specified by 25 the buyer, and a description of the goods sold or services

> -2- INTRODUCED BILL SB/39

furnished or to be furnished and shall clearly state and 1 1 2 describe any collateral security taken for the buyer's 2 3 obligation. 3 4 (5) The contract shall contain the following items: 4 5 (a) the cash sale price of the goods or services; 5 6 (b) the amount of the buyer's down payment and whether 6 7 made in money or goods or partly in money and partly in 7 8 goods, including a brief description of the goods traded in; 8 9 (c) the difference between items (a) and (b); 9 10 (d) the amount, if any, included for insurance and 10 11 other benefits if a separate charge is made therefor, 11 12 specifying the types of coverage and benefits; 12 13 (e) the amount of official fees; 13 14 (f) the principal balance which is the sum of items 14 15 (c), (d), and (e); 15 16 (g) the amount of the finance charge: 16 17 (h) the total amount of the time balance, stated as 17 18 one sum in dollars and cents, which is the sum of items (f) 18 19 and (q), payable in installments by the buyer to the seller; 19 20 (i) the number of installments; 20 21 (j) the amount of each installment; and 21 22 (k) the due date or period of installments. 22 23 (6) The items in (5) need not be stated in the 23 24 sequence or order set forth and additional items may be 24 25 included to explain the computations made in determining the

amount to be paid by the buyer.

(7) No retail installment contract may be signed by any party thereto when it contains blank spaces to be filled in after it has been signed, except that if delivery of the goods is not made at the time of the execution of the contract, the identifying numbers or marks of the goods or similar information and the due date of the first installment may be inserted in the contract after its execution. The buyer's written acknowledgment, conforming to the requirements of 31-1-232, of delivery of a copy of a contract shall, in any action or proceeding by or against a holder of the contract without knowledge to the contrary when he purchases the contract, be conclusive proof: (a) of such delivery; (b) that the contract when signed did not contain any blank spaces except as herein provided; and (c) of compliance with 31-1-231 through 31-1-236. (8) If a retail installment transaction is subject to the federal Truth in Lending Act (15 U.S.C. 1601-1667e), the seller may, instead of complying with the requirements of subsections (2) through (7), comply with all such requirements of the federal law. A seller who complies with the federal requirements is subject only to the provisions of subsection (1) of this section." -End-

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APPROVED BY COMM. ON BUSINESS & INDUSTRY

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together with the sales slip, account book, or other written statement relating to each purchase, shall set forth all of the information required by this section and shall constitute the retail installment contract for each such purchase.

6 (2) The printed portion of the contract, other than
7 instructions for completion, shall be in at least 8-point
8 type. The contract shall contain the following notice in a
9 size equal to at least 10-point bold type:

10 "1. Notice to the buyer. Do not sign this contract
11 before you read it or if it contains any blank spaces.

12 2. You are entitled to an exact copy of the contract13 you sign.

14 3. Under the law, you have the right to pay off in
15 advance the full amount due and to obtain a partial refund
16 of the finance charge."

17 (3) If the contract covers the sale of a motor 18 vehicle, it shall also contain, in a size equal to at least 19 10-point bold type, a specific statement that liability 20 insurance coverage for bodily injury and property damage 21 caused to others is not included if that is the case.

(4) The contract shall contain the names of the seller
and the buyer, the place of business of the seller, the
residence or place of business of the buyer as specified by
the buyer, and a description of the goods sold or services

-2- SECOND READING

1	furnished or to be furnished and shall clearly state and	1	amount to be paid by the buyer.
2	describe any collateral security taken for the buyer's	2	(7) No retail installment contract may be signed by
3	obligation.	3	any party thereto when it contains blank spaces to be filled
4	(5) The contract shall contain the following items:	4	in after it has been signed, except that if delivery of the
5	(a) the cash sale price of the goods or services;	5	goods is not made at the time of the execution of the
6	(b) the amount of the buyer's down payment and whether	6	contract, the identifying numbers or marks of the goods or
7	made in money or goods or partly in money and partly in	7	similar information and the due date of the first
8	goods, including a brief description of the goods traded in;	8	installment may be inserted in the contract after its
9	(c) the difference between items (a) and (b);	9	execution. The buyer's written acknowledgment, conforming to
10	(d) the amount, if any, included for insurance and	10	the requirements of 31-1-232, of delivery of a copy of a
11	other benefits if a separate charge is made therefor,	11	contract shall, in any action or proceeding by or against a
12	specifying the types of coverage and benefits;	12	holder of the contract without knowledge to the contrary
13	(e) the amount of official fees;	13	when he purchases the contract, be conclusive proof:
14	(f) the principal balance which is the sum of items	14	(a) of such delivery;
15	(c), (d), and (e);	15	(b) that the contract when signed did not contain any
16	(g) the amount of the finance charge;	16	blank spaces except as herein provided; and
17	(h) the total amount of the time balance, stated as	17	(c) of compliance with 31-1-231 through 31-1-236.
18	one sum in dollars and cents, which is the sum of items (f)	18	(8) If a retail installment transaction is subject to
19	and (g), payable in installments by the buyer to the seller;	19	the federal Truth in Lending Act (15 U.S.C. 1601-1667e), the
20	(i) the number of installments;	20	seller may, instead of complying with the requirements of
21	(j) the amount of each installment; and	21	subsections (2) through (7), comply with all such
22	(k) the due date or period of installments.	22	requirements of the federal law. A seller who complies with
23	(6) The items in (5) need not be stated in the	23	the federal requirements is subject only to the provisions
24	sequence or order set forth and additional items may be	24	of subsection (1) of this section."
25	included to explain the computations made in determining the		-End-

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49th Legislature

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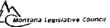
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together with the sales slip, account book, or other written statement relating to each purchase, shall set forth all of the information required by this section and shall constitute the retail installment contract for each such purchase.

6 (2) The printed portion of the contract, other than 7 instructions for completion, shall be in at least 8-point 8 type. The contract shall contain the following notice in a 9 size equal to at least 10-point bold type:

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THIRD READING -2-5B 139

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4 (5) The contract shall contain the following items:

(a) the cash sale price of the goods or services;

6 (b) the amount of the buyer's down payment and whether
7 made in money or goods or partly in money and partly in
8 goods, including a brief description of the goods traded in;

(c) the difference between items (a) and (b);

10 (d) the amount, if any, included for insurance and
11 other benefits if a separate charge is made therefor,
12 specifying the types of coverage and benefits;

(e) the amount of official fees;

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14 (f) the principal balance which is the sum of items 15 (c), (d), and (e);

16 (g) the amount of the finance charge;

17 (h) the total amount of the time balance, stated as 18 one sum in dollars and cents, which is the sum of items (f) 19 and (g), payable in installments by the buyer to the seller;

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21 (j) the amount of each installment; and

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24 sequence or order set forth and additional items may be
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1 amount to be paid by the buyer.

2 (7) No retail installment contract may be signed by 3 any party thereto when it contains blank spaces to be filled in after it has been signed, except that if delivery of the 5 goods is not made at the time of the execution of the 6 contract, the identifying numbers or marks of the goods or 7 similar information and the due date of the first installment may be inserted in the contract after its 9 execution. The buyer's written acknowledgment, conforming to 10 the requirements of 31-1-232, of delivery of a copy of a 11 contract shall, in any action or proceeding by or against a 12 holder of the contract without knowledge to the contrary 13 when he purchases the contract, be conclusive proof: 14 (a) of such delivery; 15 (b) that the contract when signed did not contain any 16 blank spaces except as herein provided; and 17 (c) of compliance with 31-1-231 through 31-1-236. 18 (B) If a retail installment transaction is subject to 19 the federal Truth in Lending Act (15 U.S.C. 1601-1667e), the 20 seller may, instead of complying with the requirements of subsections (2) through (7), comply with all such 21 22 requirements of the federal law. A seller who complies with 23 the federal requirements is subject only to the provisions 24 of subsection (1) of this Section."

-End-

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SB 139 REFERENCE BILL

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