

HOUSE BILL No. 5416

February 22, 2000, Introduced by Reps. Baird, Law, Shulman, Sanborn, Kukuk, LaSata, Minore, Schermesser, Koetje, Voorhees, Hart, Richner, Switalski and Faunce and referred to the Committee on Family and Civil Law.

A bill to amend 1950 (Ex Sess) PA 27, entitled
"Motor vehicle sales finance act,"
by amending section 14 (MCL 492.114).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 14. (a) An installment sale contract shall not be
2 signed by a party ~~thereto~~ TO THE CONTRACT unless it contains
3 all of the information and statements required by this act.

4 (b) An installment sale contract shall not contain an accel-
5 eration clause under which any part or all of the time balance
6 represented by payments, not yet matured, may be declared immedi-
7 ately payable because the seller or holder deems ~~himself~~ ITSELF
8 to be insecure.

9 (c) An installment sale contract shall not contain a
10 provision authorizing a person acting on behalf of the seller or
11 holder to enter upon premises of the buyer unlawfully or to

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1 commit a breach of the peace in the repossession of the motor
2 vehicle or collateral security. A right of repossession of a
3 motor vehicle provided in an installment sale contract shall be
4 exercised only in the manner provided in ~~sections 9503 and 9504~~
5 ~~of Act No. 174 of the Public Acts of 1962, being sections~~
6 ~~440.9503 and 440.9504 of the Michigan Compiled Laws~~ PART 6 OF
7 ARTICLE 9 OF THE UNIFORM COMMERCIAL CODE, 1962 PA 174, MCL
8 440.9601 TO 440.9628, CONCERNING TAKING POSSESSION OF AND DISPOS-
9 ING OF COLLATERAL.

10 (d) An installment sale contract shall not contain a provi-
11 sion ~~whereby~~ BY WHICH the buyer waives a right of action
12 against the seller, holder, or other person acting on behalf of
13 the holder for an illegal act committed in the collection of the
14 payments under the contract or in the repossession of the motor
15 vehicle or collateral security.

16 (e) An installment sale contract shall not contain a provi-
17 sion ~~whereby~~ BY WHICH the buyer executes a power of attorney
18 appointing the seller, the holder, or the agent of the licensee
19 as the buyer's agent in collection of the payments under the con-
20 tract or in repossession of the motor vehicle sold or collateral
21 security.

22 (f) An installment sale contract shall not contain a provi-
23 sion relieving the holder, or other assignee, from liability for
24 legal remedies which the buyer has against the seller under the
25 contract or under a separate instrument executed in connection
26 ~~therewith~~ WITH THE CONTRACT.

[Enacting section 1. This amendatory act takes effect July 1,
2001.]

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1 Enacting section [2]. This amendatory act does not take
2 effect unless House Bill No. 5228 of the 90th Legislature is
3 enacted into law.