

RENTAL-PURCHASE AGREEMENT ACT (EXCERPT)
Act 424 of 1984

445.953 Rental-purchase agreement; form; contents; information requirements; separate form; disclosure of additional information.

Sec. 3.

(1) A rental-purchase agreement shall be in the form of a written statement which shall include all of the following:

(a) A brief description of the leased property, sufficient to identify the property to the lessee and lessor including whether the property is new or previously rented. If a lease is for multiple items, a description of each item may be provided in a separate statement which is incorporated by reference in the primary disclosure statement.

(b) The total amount of any initial payment, including any advance payment, delivery charge, or any trade-in allowance to be paid by the lessee at or before consummation of the rental-purchase agreement.

(c) The amount and timing of payments.

(d) The amount of all other charges, individually itemized, payable by the lessee to the lessor, which are not included in the periodic payments.

(e) A statement of the party liable for loss, damage in excess of normal wear and tear, or destruction to the leased property.

(f) The lessee's right to reinstate and the amount or method of determining the amount of any penalty or other charge for reinstatement as established in section 8.

(g) The party responsible for maintaining or servicing the leased property together with a brief description of this responsibility.

(h) A statement of the conditions under which the lessee or lessor may terminate the lease.

(i) A statement of the product of the number of payments times the amount of each payment necessary to acquire ownership of the leased property.

(j) A statement that the lessee has the option to purchase the leased property during the term of the rental purchase agreement and, at what price, formula, or by what method the price is determined.

(k) The cash price of the property if purchased rather than leased.

(l) A statement that if any part of a manufacturer's warranty remains on the leased property at the point that a lessee assumes ownership of the property, the warranty will be passed on to the lessee.

(m) A notice in a prominent place in type not smaller than the size of 12-point type, or in legible print with letters not smaller than 1/8 inch, in substantially the following form:

NOTICE: THIS AGREEMENT IS REGULATED BY STATE LAW AND MAY BE ENFORCED BY THE ATTORNEY GENERAL OR BY PRIVATE LEGAL ACTION.

(2) All information required by this section shall be stated in a clear and coherent manner, using words and phrases of common meaning. The information shall be appropriately divided and captioned by its sections. All numerical amounts and percentages shall be stated in figures. The information shall also be disclosed by the lessor prior to the signing of the lease by the lessee on a dated written statement which identifies the lease or rental-purchase agreement and the parties to it. The written statement shall contain all of the information required by this section and shall be provided directly on the lease contract or instrument or on a separate form. A separate form may utilize the format provided for in section 19.

(3) At the lessor's option, information in addition to that required by this section may be disclosed if the additional information is not stated, utilized, or placed in a manner which will contradict, obscure, or distract attention from the required information.

History: 1984, Act 424, Eff. Mar. 29, 1985