

MOTOR VEHICLE SALES FINANCE ACT (EXCERPT)
Act 27 of 1950 (Ex. Sess.)

492.122 Installment sale contract; payments.

Sec. 22.

(1) An installment sale contract may provide for a series of weekly, semi-monthly or monthly payments in substantially equal periods and amounts, followed by a single larger payment that satisfies the unpaid time balance, in which event the installment buyer has the right to an option, at the time the larger payment becomes due, to make the larger payment or to enter into a second contract that conforms to all the provisions of this act except that the refinance charge provided for in the second contract must not exceed the finance charge rate provided for in the first contract.

(2) An installment sale contract for a new motor vehicle may provide for a series of monthly payments in unequal payment amounts, if both of the following conditions are met:

(a) The amount of any payment under the installment sale contract does not increase more than 40% from the amount of the first scheduled payment.

(b) The amount of each payment under the installment sale contract does not exceed the buyer's maximum payment threshold, as determined by the installment seller or the sales finance company at the time the buyer completes the installment sale contract.

History: 1950, Ex. Sess., Act 27, Eff. Mar. 31, 1951 ;-- Am. 2024, Act 94, Imd. Eff. July 23, 2024