

GUARANTEED ASSET PROTECTION WAIVER ACT (EXCERPT)
Act 229 of 2009

***** 492.23.new THIS NEW SECTION IS EFFECTIVE JULY 7, 2010 *****

492.23.new Definitions.

Sec. 3. As used in this act:

(a) "Administrator" means a person, other than a creditor or insurer, that performs administrative or operational functions in connection with a guaranteed asset protection waiver program.

(b) "Borrower" means a person that purchases, agrees to purchase, leases, or agrees to lease a motor vehicle. The term includes, but is not limited to, an installment buyer or a retail buyer.

(c) "Commissioner" means the commissioner of the office of financial and insurance regulation in the department of energy, labor, and economic growth.

(d) "Creditor" means a person that extends credit to a borrower in connection with the purchase of a motor vehicle; an assignee of that person; a lessor of a motor vehicle; or an assignee of that lessor. The term includes, but is not limited to, any of the following:

(i) An installment seller that extends credit to an installment buyer and any assignee to which that credit obligation is payable.

(ii) An installment seller that leases a motor vehicle to an installment buyer and any assignee to which the lease payments are payable.

(iii) A sales finance company that extends credit to an installment buyer and any assignee to which that credit obligation is payable.

(iv) A retail seller that extends credit to a retail buyer and any assignee to which that credit obligation is payable.

(v) A retail seller that leases a motor vehicle to a retail buyer and any assignee to which the lease payments are payable.

(e) "Finance agreement" means a loan, lease, or installment sale agreement for a motor vehicle. The term includes, but is not limited to, an installment sale contract, a retail installment contract, or a retail charge agreement.

(f) "Free look period" means the period of time during which a borrower may cancel a guaranteed asset protection waiver without penalty, fees, or costs to the borrower. A free look period must begin on the effective date of the guaranteed asset protection waiver, and the term of a free look period must be at least 30 days.

(g) "Guaranteed asset protection waiver" means a contractual agreement in which a creditor agrees for a separate charge to cancel or waive all or part of amounts due on a borrower's finance agreement in the event of a total physical damage loss or unrecovered theft of a motor vehicle.

(h) "Installment buyer" means that term as defined in section 2 of the motor vehicle sales finance act, MCL 492.102.

(i) "Installment sale contract" means that term as defined in section 2 of the motor vehicle sales finance act, MCL 492.102.

(j) "Installment seller" means that term as defined in section 2 of the motor vehicle sales finance act, MCL 492.102.

(k) "Insurer" means an authorized insurer as defined in section 108 of the insurance code of 1956, 1956 PA 218, MCL 500.108.

(l) "Motor vehicle" means a self-propelled or towed device that transports people or property for personal or commercial use. The term includes, but is not limited to, an automobile, truck, motorcycle, recreational vehicle, all-terrain vehicle, camper, boat, or personal watercraft or a motorcycle, boat, camper, or personal watercraft trailer. The term does not include a device that moves on or is guided by a track or travels through the air.

(m) "Motor vehicle sales finance act" means the motor vehicle sales finance act, 1950 (Ex Sess) PA 27, MCL 492.101 to 492.141.

(n) "Person" means an individual, limited liability company, partnership, association, corporation, governmental entity, or any other legal entity.

(o) "Retail buyer" means that term as defined in section 2 of the retail installment sales act, MCL 445.852.

(p) "Retail charge agreement" means that term as defined in section 2 of the retail installment sales act, MCL 445.852.

(q) "Retail installment contract" means that term as defined in section 2 of the retail installment sales act, MCL 445.852.

(r) "Retail installment sales act" means the retail installment sales act, 1966 PA 224, MCL 445.851 to 445.873.

(s) "Retail seller" means that term as defined in section 2 of the retail installment sales act, MCL 445.852.

(t) "Sales finance company" means that term as defined in section 2 of the motor vehicle sales finance act, MCL 492.102.

History: 2009, Act 229, Eff. July 7, 2010.