

**LEASE CONTRACTS FOR MOTOR VEHICLES**  
**Act 169 of 1990**

AN ACT to require the inclusion of certain statements in lease contracts involving motor vehicles; and to provide remedies and penalties.

**History:** 1990, Act 169, Eff. Jan. 1, 1991.

*The People of the State of Michigan enact:*

**445.991 Definitions.**

Sec. 1. As used in this act:

(a) "Lease contract" means a contract for the lease of a motor vehicle by a natural person for a term exceeding 30 days.

(b) "Lessee" means a natural person who leases a motor vehicle under a lease contract.

(c) "Lessor" means a natural person, partnership, corporation, association, or other legal entity that is engaged in the business of leasing, offering to lease, or arranging the lease of a motor vehicle under a lease contract.

(d) "Motor vehicle" means a vehicle, including passenger vans and minivans, that is self-propelled, that is capable of being operated on a highway or street in this state, and that is primarily intended for the transport of persons.

**History:** 1990, Act 169, Eff. Jan. 1, 1991.

**445.992 Lease contract for motor vehicle; statement required; signature or initials of lessee.**

Sec. 2. (1) A lease contract for a motor vehicle shall have a statement in a separate paragraph in the lease contract or on a separate sheet of paper attached to the lease contract advising the lessee that the early termination payoff balance of the motor vehicle as determined by the lessor may be different than the actual cash value of the motor vehicle as determined by the insurer of the vehicle.

(2) If under the terms of the contract the lessee is required to pay to the lessor the difference between the early termination payoff balance as determined by the lessor and the actual cash value as determined by the insurer, a statement explaining this fact shall be included in the lease contract immediately after the statement required by subsection (1). A space for the signature or initials of the lessee shall appear adjacent to the statement and the lessee shall place his or her signature or initials in that space indicating that he or she has read this statement and understands its content.

**History:** 1990, Act 169, Eff. Jan. 1, 1991.

**445.993 Failure of lessor to provide notice or obtain lessee's signature or initials; civil action; damages; attorney's fees; limitation.**

Sec. 3. (1) If a lessor fails to provide the notice required by this act or fails to obtain the lessee's signature or initials in the space provided and the lessor has invoked the terms of the contract requiring the lessee to pay to the lessor the difference between the early termination payoff balance as determined by the lessor and the actual cash value as determined by the insurer, then the lessor is subject to a civil action brought by the lessee.

(2) If the lessee is successful in the civil action, then the lessee may recover actual damages or \$250.00, whichever is greater, together with reasonable attorney's fees.

(3) For purposes of this section, actual damages may not exceed the difference between the early termination payoff balance as determined by the lessor and the actual cash value as determined by the insurer.

**History:** 1990, Act 169, Eff. Jan. 1, 1991.

**445.994 Refusal to sign lease contract.**

Sec. 4. If a lessee does not agree to sign a lease contract in the space provided adjacent to the notice required by this act, the lessor may refuse to lease a motor vehicle to the lessee.

**History:** 1990, Act 169, Eff. Jan. 1, 1991.

**445.995 Effective date.**

Sec. 5. This act shall take effect January 1, 1991.

**History:** 1990, Act 169, Eff. Jan. 1, 1991.