



# HOUSE BILL No. 4605

April 1, 1993, Introduced by Reps. Shugars, Jaye, Rhead and Jamian and referred to the Committee on Business and Finance.

A bill to amend sections 20 and 22a of Act No. 27 of the Public Acts of the Extra Session of 1950, entitled as amended "Motor vehicle sales finance act," being sections 492.120 and 492.122a of the Michigan Compiled Laws.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 20 and 22a of Act No. 27 of the Public  
2 Acts of the Extra Session of 1950, being sections 492.120 and  
3 492.122a of the Michigan Compiled Laws, are amended to read as  
4 follows:

5 Sec. 20. ~~—A~~ AN INSTALLMENT SALE CONTRACT, INCLUDING A  
6 CONTRACT SUBJECT TO SECTION 41, MAY REQUIRE THE BUYER TO PAY TO  
7 THE HOLDER A default charge ~~may be collected~~ on ~~any~~ EACH  
8 installment payment ~~or payments which are~~ THAT IS not paid on  
9 or before the due date of ~~such payments~~ THE PAYMENT. ~~Such~~

1 THE default charge shall not exceed ~~the rate~~ \$5.00 ON A PAYMENT  
 2 OF \$100.00 OR LESS OR 5% of ~~2 per cent per month on~~ the amount  
 3 of the LATE INSTALLMENT payment ON A PAYMENT OF MORE THAN  
 4 \$100.00. ~~or payments in arrears. Such default charge may be~~  
 5 ~~computed on the basis of a full calendar month for any fractional~~  
 6 ~~month period in excess of 10 days. Such~~ THE default ~~charges~~  
 7 CHARGE may be collected, when earned, during the term of the con-  
 8 tract, ~~or~~ may be accumulated and collected at final maturity,  
 9 or MAY BE COLLECTED at the time of final payment under the  
 10 contract. ~~Such~~ THE default charge shall not be collected on  
 11 any payment in default because of ~~any~~ AN acceleration provision  
 12 in the contract.

13       Sec. 22a. Compliance with the requirements of the  
 14 ~~consumer credit protection~~ TRUTH IN LENDING act, TITLE I OF  
 15 Public Law 90-321, ~~, 82 statute 146, et seq., commonly referred~~  
 16 ~~to as the federal truth in lending act~~ 15 U.S.C. 1601 TO 1608,  
 17 1610 TO 1613, 1631 TO 1635, 1637 TO 1638, 1640 TO 1647, AND 1661  
 18 TO 1667e is compliance with the disclosure provisions of  
 19 ~~subsection (b), subdivisions (1), (2), (3) and (4) as it relates~~  
 20 ~~to the amount of the insurance premium, (5), (6), (7), (8) and~~  
 21 ~~(9) of section 13 and the disclosure provisions~~ SECTION 13 AND  
 22 of section 2 of Act No. 305 of the Public Acts of 1939, being  
 23 section 566.302 of the MICHIGAN Compiled Laws. ~~of 1948.~~