

BUYER'S CANCELLATION OF SALES CONTRACTS
Act 276 of 1986

AN ACT to allow for the buyer's cancellation of certain sales contracts.

History: 1986, Act 276, Eff. Mar. 31, 1987.

The People of the State of Michigan enact:

445.931 Cancellation of certain sales contracts by buyer.

Sec. 1. (1) For a sale of goods, services, or memberships whose value equals or exceeds \$500.00, if the buyer has been offered anything of more than \$25.00 in value in exchange for attending a sales promotion for those goods, services, or memberships, in addition to any other right to revoke an offer, a buyer has the right to cancel the sale and receive a complete refund until midnight of the third business day after the day on which the buyer signed a contract or agreement to purchase.

(2) A contract or agreement to purchase which is subject to cancellation under the provisions of subsection (1) shall prominently contain the following notice, on its face, set in boldface at least 4 points larger than the type of the body of the document. The seller shall enter on the blanks the date the buyer signs the written agreement, the last date for mailing notice of cancellation, and the seller's name and address.

Notice to Purchaser

You are entitled to cancel this agreement without penalty or obligation for any reason within 3 business days from the date you signed this agreement. Any payments made by you shall be returned within 10 business days following receipt by the seller of your cancellation notice. You may mail or deliver a written notice to the seller. If mailed, it must be postmarked before midnight of the third business day after you sign the agreement. Deliver or mail the notice to:

Name of Seller _____ Date Signed _____
Address of Seller _____ Last Cancellation Date _____

(3) Cancellation occurs when the buyer mails or delivers to the seller written notification of cancellation. If mailed, a cancellation notice is given on the date the notice is postmarked.

(4) A written notice given by the buyer for cancellation need not take a particular form and is sufficient if it indicates by any form of written expression the intention of the buyer not to be bound by the sale.

(5) A buyer shall not cancel a sale if the buyer requests the seller to provide goods, services, or memberships without delay because of an emergency, and any of the following apply:

(a) The seller in good faith makes a substantial beginning of performance of the contract before the buyer gives notice of cancellation.

(b) The buyer furnishes the seller with a separate dated and signed personal statement in the buyer's handwriting describing the situation requiring immediate remedy and expressly acknowledging and waiving the right to cancel the sale within 3 business days.

(c) The goods, services, or memberships cannot be returned to the seller in substantially as good condition as when received by the buyer.

(6) This act does not limit or in any way affect a buyer's right to cancel a sale under any other provision of law.

(7) If a gift is given to the prospective buyer as an inducement to attend a sales promotion, regardless of intent, the prospective buyer shall have the right to keep the gift without obligation whether or not a contract is canceled.

(8) For purposes of this section "business day" means Monday through Friday and shall not include Saturday, Sunday, or the following business holidays: New Year's day; Martin Luther King, Jr. day; Memorial day; July 4; Labor day; Columbus day; Veterans' day; Thanksgiving day; and Christmas day.

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