

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

492.121 Installment sale contract; prepayment of unpaid time balance; rebate of unearned finance charge.

Sec. 21.

(1) The buyer, notwithstanding the provisions of any installment sale contract, may prepay at any time all or a part of the unpaid time balance under an installment sale contract.

(2) Except as provided in section 41, when all of the time balance is liquidated before maturity by prepayment, refinancing, or termination by surrender or repossession and resale of the motor vehicle, the holder of the installment sale contract shall rebate to the buyer immediately the unearned portion of the finance charge. Rebate may be made in cash or credited to the amount due on the obligation of the buyer.

(3) The unearned portion of the finance charge to be rebated to the buyer shall be rebated by the actuarial method. The holder is not required to rebate a portion of the unearned finance charge that results in a net minimum finance charge on the contract less than \$15.00. The holder is not required to rebate an unearned finance charge when the amount due, computed as set forth in this section, is less than \$1.00.

History: 1950, Ex. Sess., Act 27, Eff. Mar. 31, 1951 ;-- Am. 1957, Act 216, Eff. Sept. 27, 1957 ;-- Am. 1978, Act 98, Imd. Eff. Apr. 5, 1978 ;-- Am. 1995, Act 166, Eff. Mar. 28, 1996