

Act No. 319
Public Acts of 2005
Approved by the Governor
December 22, 2005
Filed with the Secretary of State
December 27, 2005
EFFECTIVE DATE: December 27, 2005

STATE OF MICHIGAN
93RD LEGISLATURE
REGULAR SESSION OF 2005

Introduced by Reps. Robertson, Hunter, Palsrok, Hune, Marleau, Ball, Dillon, Steil, Mayes, Clemente,
Taub and Green

ENROLLED HOUSE BILL No. 5353

AN ACT to amend 1950 (Ex Sess) PA 27, entitled "An act defining and regulating certain installment sales of motor vehicles; prescribing the conditions under which such sales may be made and regulating the financing thereof; regulating and licensing persons engaged in the business of making or financing such sales; prescribing the form, contents and effect of instruments used in connection with such sales and the financing thereof; prescribing certain rights and obligations of buyers, sellers, persons financing such sales and others; limiting charges in connection with such instruments and fixing maximum interest rates for delinquencies, extensions and loans; regulating insurance in connection with such sales; regulating repossessions, redemptions, resales and deficiency judgments and the rights of parties with respect thereto; authorizing extensions, loans and forbearances related to such sales; authorizing investigations and examinations of persons engaged in the business of making or financing such sales; transferring certain powers and duties with respect to finance companies to the commissioner of the financial institutions bureau; and prescribing penalties," (MCL 492.101 to 492.141) by adding section 13a.

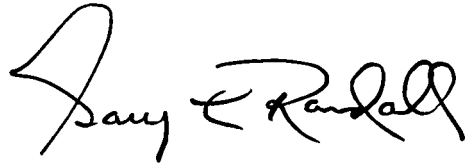
The People of the State of Michigan enact:

Sec. 13a. (1) A seller in an installment sale transaction may pay on behalf of the buyer and agree to finance in the installment sale contract all or part of the balance of any indebtedness secured by a motor vehicle that the seller takes in trade in the installment sale transaction or all or any part of the balance owed under a lease of a motor vehicle that is terminated in connection with the installment sale transaction.

(2) If subsection (1) applies in an installment sale transaction, then the other necessary or incidental costs included in the installment sale contract under section 13(2)(e) shall include the amount the seller agreed to finance under subsection (1).

Enacting section 1. It is the intent of the legislature that this section be construed as declaring the law as it exists before this section is enacted and not as modifying it.

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved

Governor