

SB 134 STAFF MEASURE SUMMARY

Senate Committee On Business and Transportation

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Meeting Dates: 2/22

WHAT THE MEASURE DOES:

Subjects motor vehicle sellers and buyers to certain conditions contingent on the lenders agreement or failure to agree to purchase a retail installment contract or lease agreement for a motor vehicle.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Retail installment contracts are similar to traditional loans in that both are ways that a buyer can obtain a motor vehicle by agreeing to make payments over time. While a traditional loan is a transaction between the borrower and a bank or other lender for money used to pay a vehicle dealer the total cost of purchasing the vehicle, typically involving the purchaser making regular payments to the lending institution, a retail installment sale involves a transaction between buyer and dealer wherein the buyer agrees to make regular payments to the dealer. In the case of retail installment contracts, the vehicle dealer can subsequently sell the contract to a lender or other third party.