

RENTAL-PURCHASE AGREEMENT ACT (EXCERPT)
Act 424 of 1984

445.958 Failure to make timely periodic payment; rights of lessee; reinstatement; late or delivery fee; same or substitute item provided on reinstatement.

Sec. 8.

(1) A lessee who fails to make a timely periodic payment may reinstate the original rental-purchase agreement without losing any rights or options previously acquired under the rental-purchase agreement by paying the past due periodic payment, any applicable late fee, and, if redelivery of an item is necessary, a delivery fee not to exceed the original delivery fee, by the later of the following dates:

(a) 7 days after failing to make the timely periodic payment.

(b) 90 days after failing to make the timely periodic payment, if the lessee returns or voluntarily surrenders the item, other than through judicial process, within 7 days after failing to make the timely periodic payment.

(2) A lessee shall not be charged a late fee for failure to make a timely periodic payment unless the periodic payment is more than the following number of days past due:

(a) 5 days, if the periodic payment is due monthly or less frequently.

(b) 2 days, if the periodic payment is due more frequently than monthly.

(3) A late fee shall not exceed the greater of \$10.00 or 5% of the amount of the missed payment.

(4) If reinstatement occurs pursuant to this section, the lessor shall provide the lessee with either the same item leased by the lessee prior to reinstatement or a substitute item of comparable quality and condition. If a substitute item is provided, the lessor shall provide the lessee with all of the information required in section 3.

History: 1984, Act 424, Eff. Mar. 29, 1985 ;-- Am. 2012, Act 584, Imd. Eff. Jan. 3, 2013