

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

492.114 Installment sale contract; condition of signing; acceleration clause; right of repossession; prohibited provisions.

Sec. 14.

(a) An installment sale contract shall not be signed by a party to the contract unless it contains all of the information and statements required by this act.

(b) An installment sale contract shall not contain an acceleration clause under which any part or all of the time balance represented by payments, not yet matured, may be declared immediately payable because the seller or holder deems itself to be insecure.

(c) An installment sale contract shall not contain a provision authorizing a person acting on behalf of the seller or holder to enter upon premises of the buyer unlawfully or to commit a breach of the peace in the repossession of the motor vehicle or collateral security. A right of repossession of a motor vehicle provided in an installment sale contract shall be exercised only in the manner provided in part 6 of article 9 of the uniform commercial code, 1962 PA 174, MCL 440.9601 to 440.9628, concerning taking possession of and disposing of collateral.

(d) An installment sale contract shall not contain a provision by which the buyer waives a right of action against the seller, holder, or other person acting on behalf of the holder for an illegal act committed in the collection of the payments under the contract or in the repossession of the motor vehicle or collateral security.

(e) An installment sale contract shall not contain a provision by which the buyer executes a power of attorney appointing the seller, the holder, or the agent of the licensee as the buyer's agent in collection of the payments under the contract or in repossession of the motor vehicle sold or collateral security.

(f) An installment sale contract shall not contain a provision relieving the holder, or other assignee, from liability for legal remedies which the buyer has against the seller under the contract or under a separate instrument executed in connection with the contract.

History: 1950, Ex. Sess., Act 27, Eff. Mar. 31, 1951 ;-- Am. 1978, Act 149, Eff. Jan. 1, 1979 ;-- Am. 2000, Act 361, Eff. July 1, 2001