

Act No. 302
Public Acts of 2006
Approved by the Governor
July 18, 2006
Filed with the Secretary of State
July 20, 2006
EFFECTIVE DATE: July 20, 2006

**STATE OF MICHIGAN
93RD LEGISLATURE
REGULAR SESSION OF 2006**

Introduced by Reps. Hune and Gaffney

ENROLLED HOUSE BILL No. 6175

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," by amending section 17 (MCL 492.117).

The People of the State of Michigan enact:

Sec. 17. (a) In addition to the cost of insurance premiums and travel emergency benefits authorized in the preceding section of this act, the seller of a motor vehicle under an installment sale contract may require the buyer to pay certain other costs incurred in the sale of a motor vehicle under such contract as follows:

1. Fees, payable to the state of Michigan, for filing a lien or encumbrances on the certificate of title to a motor vehicle sold under an installment sale contract or collateral security thereto.
2. Fees, payable to a public official, for filing or recording and satisfying or releasing the installment sale contract or instruments securing the buyer's obligation.
3. Fees for notarization required in connection with the filing and recording or satisfying and releasing a mortgage, judgment lien or encumbrance.

(b) The seller of a motor vehicle under an installment sale contract may also contract with the buyer to pay, on behalf of the buyer, such other costs incidental to the sale of a motor vehicle and contracted for voluntarily by the buyer as follows:

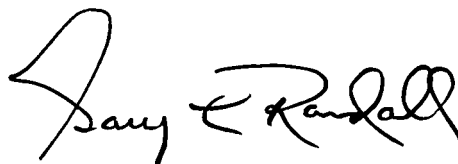
1. Fees in amounts established by and paid to the state of Michigan for titling and registration of the motor vehicle and issuance or transfer of registration plates.

2. If the buyer of a motor vehicle elects to title or register the motor vehicle electronically, fees payable to any third party authorized by the secretary of state and to the seller for electronic titling and registration of the motor vehicle.

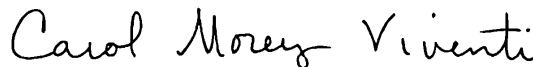
(c) The foregoing costs may be charged, contracted for, collected or received by the seller from the buyer independently of the installment sale contract, or the seller may extend credit to the buyer for the amount of such costs and include such amount in the principal amount financed under the installment sale contract.

(d) Such other costs paid or payable by the buyer shall not exceed the amount which the seller expends or intends to expend therefor. Any such costs which the seller has collected from the buyer, or which have been included in the buyer's obligation under the installment sale contract which are not disbursed by the seller, as contemplated, shall be immediately refunded or credited to the buyer.

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved

Governor