

**HOME IMPROVEMENT FINANCE ACT (EXCERPT)**  
**Act 332 of 1965**

**445.1207 Evidence of obligation; holder subject to claims and defenses of buyer; limitation on buyer's recovery.**

Sec. 207. Notwithstanding the provisions of any other law and notwithstanding any agreement to the contrary:

(a) A person shall not take a negotiable instrument, other than a currently dated check or draft, as evidence of the obligation of the buyer in a home improvement installment sale or home improvement charge sale.

(b) A holder of a home improvement contract, home improvement charge agreement, or other evidence of indebtedness of the buyer is subject to all the claims and defenses of the buyer arising out of the home improvement installment sale or a home improvement charge sale, but the buyer's recovery shall not exceed the amount paid to the holder thereunder.

**History:** 1965, Act 332, Eff. Jan. 1, 1966;—Am. 1972, Act 193, Eff. Jan. 1, 1973;—Am. 1980, Act 78, Imd. Eff. Apr. 3, 1980;—Am. 1985, Act 202, Imd. Eff. Dec. 27, 1985.