

GUARANTEED ASSET PROTECTION WAIVER ACT (EXCERPT)
Act 229 of 2009

***** 492.29.new THIS NEW SECTION IS EFFECTIVE JULY 7, 2010 *****

492.29.new Cancellation.

Sec. 9. All of the following apply concerning the cancellation of guaranteed asset protection waivers:

(a) A creditor may offer a guaranteed asset protection waiver agreement that is cancelable or not cancelable after the free look period. A guaranteed asset protection waiver must provide that if a borrower cancels the waiver during the free look period, the borrower is entitled to a full refund of the purchase price if the borrower has not received benefits under the waiver, or to any full or partial refund included in the waiver if the borrower has received benefits under the waiver.

(b) If a borrower cancels the guaranteed asset protection waiver, or the finance agreement is terminated, after the free look period, the borrower may be entitled to a refund of any unearned portion of the purchase price of the waiver unless the waiver provides otherwise. In order to receive a refund, the borrower, must provide a written request to the creditor, administrator, or other party, within 90 days after the cancellation of the waiver or the occurrence of the event terminating the finance agreement, that meets any applicable notice provisions of the waiver.

(c) If the cancellation of a guaranteed asset protection waiver occurs as a result of a default under a finance agreement, the repossession of the motor vehicle associated with the finance agreement, or any other termination of the finance agreement, any refund due may be paid directly to the creditor or administrator and applied as set forth in subdivision (d).

(d) A creditor may apply any cancellation refund received under subdivision (a), (b), or (c) as a reduction of the amount owed under the finance agreement, unless the borrower can show that the finance agreement has been paid in full.

History: 2009, Act 229, Eff. July 7, 2010.