

Article - Commercial Law

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§12-606.

(a) An installment sale agreement shall:

(1) State the full name, place of residence, and post office address of each party to it;

(2) State the date when signed by the buyer; and

(3) Contain a clear description of the goods sold sufficient to identify them readily.

(b) An installment sale agreement also shall state in simple tabular form the following separate items in the following order:

(1) The cash price of the goods sold;

(2) All charges for delivery, installation, or repair of or other services to the goods which, separate from the cash price, are included in the installment sale agreement;

(3) The sum of the cash price in item (1) and the charges for services in item (2);

(4) The amount of the buyer's down payment, together with:

(i) A statement of the respective amounts credited for cash, credits, and the agreed value of goods;

(ii) A statement of amounts actually paid or to be paid by the seller pursuant to an agreement with the buyer, on behalf of the buyer to discharge any amount financed under an outstanding loan agreement or installment sale agreement or the unpaid portion of the early termination obligation under any lease or other obligation of the lessee, with respect to a motor vehicle or other property traded in;

(iii) A statement of the net amount available to reduce the cash price, which is item (i) of this item less item (ii) of this item; and

(iv) A description of all goods sufficient to identify them;

(5) The unpaid balance of the cash price payable by the buyer to the seller, which is item (3) less item (4);

(6) The cost to the buyer of any insurance for the payment of which credit is to be extended to the buyer, together with:

- (i) The amount or extent of the insurance;
- (ii) The expiration date of the insurance;
- (iii) The party to whom the insurance is payable; and

(iv) A concise description of the coverage, including, if the goods sold include a motor vehicle, a definite statement in 12-point bold type or larger as to whether the insurance includes coverage for personal liability and for property damage caused to others;

(7) The amount of any official fees charged to the buyer which the seller expects to be paid to a public official for filing or recording the installment sale agreement or other instrument securing or evidencing the buyer's obligation or an equal or lesser amount for a nonfiling insurance premium at rates approved by the Insurance Commissioner and on which no commissions may be paid;

(8) The cost to the buyer of any optional debt cancellation agreement sold in connection with a motor vehicle;

(9) The principal balance owed, which is the sum of items (5), (6), (7), and (8) plus, if the amount stated in item (4)(iii) of this subsection is a negative number, add that amount as a positive number;

(10) The finance charge stated as a sum in dollars; and

(11) The time balance owed by the buyer to the seller, which is the sum of items (9) and (10), the number of installment payments required to pay it, and the amount and time of each payment.

(c) In addition to the items in subsections (a) and (b) of this section, the installment sale agreement shall:

(1) State clearly any collateral security taken for the buyer's obligation under it; and

(2) Contain the following notice in 12-point bold type or larger, directly above the space reserved in the agreement for the signature of the buyer:

Notice to Buyer

1. You are entitled to a copy of this agreement at the time you sign it.
2. Under the State law regulating installment sales, you have certain rights, among others:
 - (1) To pay off the full amount due in advance and obtain a partial rebate of the financing charge;
 - (2) To redeem the property if repossessed for a default;
 - (3) To require, under certain conditions, a resale of the property, if repossessed.

(d) A seller may not be deemed to be making loans for purposes of §

11-301(b)(6)(i) of the Financial Institutions Article merely by engaging in activities described in subsection (b)(4)(ii) of this section.

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