

## Article - Commercial Law

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§12-626.

(a) Subject to the provisions of subsection (b) of this section, the holder shall sell any repossessed goods at public auction if the buyer:

(1) Has paid at least 50 percent of the cash price of the goods; and

(2) Within the 15-day period provided for in § 12-625(a) of this subtitle, requests sale of the goods in writing sent to the holder by registered or certified mail.

(b) (1) To cover the costs of the sale, at the time a buyer requests sale of the goods he shall deposit with the holder an amount equal to the lesser of:

(i) 10 percent of the time balance due at the time of repossession; or

(ii) \$10.

(2) If the buyer does not make the deposit at the time of his request, the holder promptly shall notify the buyer in writing sent by registered or certified mail of the deposit requirement. If the buyer fails to make the deposit within five days after he receives the notice from the holder, his right to have the goods sold at public auction is forfeited.

(c) The sale of goods at public auction shall take place within 30 days from the date the buyer requested the sale.

(d) At least 10 days before the sale, the holder shall notify the buyer in writing sent by registered or certified mail of the time and place of the sale.

(e) (1) The provisions of this subsection (e) apply to:

(i) A public sale held under the provisions of this section; and

(ii) Any other bona fide public or private sale of goods which had a cash price in excess of \$2,000 at the time of their purchase by the buyer, if the buyer has not paid at least 50 percent of the cash price of the goods or if he has paid that amount but has not requested a public sale under subsection (a) of this section.

(2) The proceeds of a sale to which this subsection applies, including the deposit required by subsection (b) of this section, shall be applied, in the following order, to:

(i) The actual and reasonable cost of the sale;

(ii) The actual and reasonable cost of retaking and storing the goods;

and

(iii) The unpaid balance owing under the agreement at the time the goods are repossessed.

(3) After application of the proceeds and deposit in accordance with paragraph (2) of this subsection, any remaining balance shall be paid to the buyer, unless the sale occurred because of the seizure of the goods by a police department, bureau, or force, in which event the remaining balance shall be paid to the police department, bureau, or force that seized the goods, to be disposed of in accordance with the provisions of Title 12 of the Criminal Procedure Article or any other law that applies to the seizure and forfeiture of the goods.

(4) If the proceeds and deposit are insufficient to pay the items enumerated in paragraph (2) of this subsection, the buyer is liable for the deficiency if:

(i) The agreement provides for liability for a deficiency; and

(ii) The holder has complied with all requirements of this subtitle, including the notice requirement of § 12-624(d) of this subtitle.

(f) The holder shall furnish to the buyer a written statement which shows the disposition of the proceeds and deposit.

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