

Article - Commercial Law

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§14–403.

(a) A guarantor shall deliver to the first person guaranteed the following written information:

(1) The duration of the guaranty period measured by time or, if practical, by some measure of usage such as mileage;

(2) Any reasonable and necessary maintenance required as a condition for the performance of the guaranty;

(3) A recital of the guarantor's obligations to the person guaranteed during the guaranty period;

(4) The procedure which the person guaranteed should follow to obtain the repair or replacement of the malfunctioning or defective consumer product; and

(5) Any means established by the guarantor for quick informal settlement of any guaranty dispute.

(b) Each service contract shall be in writing and shall specify:

(1) The duration of the service contract measured by time or, if practical, by some measure of usage;

(2) Any reasonable and necessary maintenance required to be performed by the person guaranteed as a condition for the performance of the service contract;

(3) The purchase price and terms of the service contract, including a recital of the provider's obligations under the service contract;

(4) The merchandise and services to be provided;

(5) The procedures which the person guaranteed should follow to obtain the services under the service contract or to file a claim under the service contract;

(6) Limitations, exceptions, or exclusions, if any, under the service contract;

(7) The terms, restrictions, or conditions governing the cancellation of the service contract before the termination or expiration date of the service contract either by the provider or person guaranteed; and

(8) Any means established by the provider for quick informal settlement of a service contract dispute.

(c) Within a reasonable time after the person guaranteed and the provider enter into a service contract, the provider shall deliver a copy of the service contract to the person guaranteed.

(d) A service contract may be canceled by the person guaranteed:

(1) Within 20 days after receipt of the service contract if mailed to the person guaranteed;

(2) Within 20 days after the date of delivery of the service contract if delivered to the person guaranteed at the time of sale; or

(3) For a period of time not less than 20 days as specified in the service contract.

(e) If a service contract is canceled under subsection (d) of this section and a claim has not been made under the service contract prior to its cancellation, the service contract is void and the provider shall refund to the person guaranteed the full consideration paid for the service contract.

(f) The right to void a service contract under subsection (e) of this section:

(1) Is not transferable;

(2) Applies only to the original person guaranteed under the service contract; and

(3) Applies only if a claim has not been made under the service contract prior to cancellation of the service contract.

(g) (1) A provider shall pay or credit the account of a person guaranteed who has canceled a service contract under subsection (d) of this section the full consideration paid for the service contract within 45 days after the cancellation.

(2) A provider that does not pay or credit the account of the person guaranteed in accordance with paragraph (1) of this subsection shall pay to the person guaranteed an amount equal to 10% of the value of the consideration paid for the service contract for each month that the refund is not paid or credited.

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