

HOUSE BILL 530

I2

6lr1881

By: **Delegate Stein**

Introduced and read first time: February 1, 2016

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Credit Regulation – Motor Vehicle Sales – Assignment of Financing Agreements**

3 FOR the purpose of requiring an assignee of certain documents relating to financing a sale
4 of a motor vehicle to provide payment to the seller of the motor vehicle within a
5 certain period of time; and generally relating to financing sales of motor vehicles.

6 BY repealing and reenacting, with amendments,
7 Article – Commercial Law
8 Section 12–609(g)
9 Annotated Code of Maryland
10 (2013 Replacement Volume and 2015 Supplement)

11 BY adding to
12 Article – Commercial Law
13 Section 12–1023.2
14 Annotated Code of Maryland
15 (2013 Replacement Volume and 2015 Supplement)

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
17 That the Laws of Maryland read as follows:

18 **Article – Commercial Law**

19 12–609.

20 (g) **(1)** A seller may assign a retail installment agreement and receive a
21 portion of the finance charge only if the fact is disclosed in the agreement. The specific
22 amount to be received need not be disclosed.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(2) THE ASSIGNEE OF A RETAIL INSTALLMENT AGREEMENT SHALL**
2 **PROVIDE PAYMENT TO THE SELLER WITHIN 2 BUSINESS DAYS AFTER APPROVAL OF**
3 **THE ASSIGNMENT OF THE RETAIL INSTALLMENT AGREEMENT.**

4 **12-1023.2.**

5 **AN ASSIGNEE OF AN AGREEMENT, A NOTE, OR ANY OTHER EVIDENCE OF A**
6 **LOAN MADE TO FINANCE THE PURCHASE OF A MOTOR VEHICLE SHALL PROVIDE**
7 **PAYMENT TO THE SELLER OF THE MOTOR VEHICLE WITHIN 2 BUSINESS DAYS AFTER**
8 **APPROVAL OF THE ASSIGNMENT OF THE AGREEMENT, NOTE, OR OTHER EVIDENCE**
9 **OF A LOAN.**

10 **SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect**
11 **October 1, 2016.**