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By: **Senators Mooney, Britt, Della, Gladden, Greenip, Grosfeld, Hafer,  
Harris, Hooper, Hughes, and Munson**  
Introduced and read first time: February 28, 2005  
Assigned to: Rules

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A BILL ENTITLED

1 AN ACT concerning

2 **Consumer Protection - Motor Vehicle Buyer's Bill of Rights**

3 FOR the purpose of requiring a dealer of certain motor vehicles to provide a financing  
4 disclosure form to a consumer buyer before the consumer buyer signs an  
5 agreement to finance the purchase of a motor vehicle from the dealer; specifying  
6 the contents of the form; requiring the form to be signed by the consumer buyer  
7 and the dealer; requiring a dealer to maintain a copy of the signed form in  
8 certain records; providing that, until the financing for a motor vehicle sold to a  
9 consumer buyer is finalized, a dealer may not sell, transfer, assign, or otherwise  
10 dispose of any trade-in vehicle taken in connection with the sale and, on request  
11 of the consumer buyer, shall accept back the motor vehicle sold and return the  
12 consumer buyer's trade-in vehicle; providing for the application of this Act;  
13 defining certain terms; and generally relating to the rights of purchasers of  
14 motor vehicles.

15 BY adding to  
16 Article - Commercial Law  
17 Section 13-319  
18 Annotated Code of Maryland  
19 (2000 Replacement Volume and 2004 Supplement)

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

22 **Article - Commercial Law**

23 13-319.

24 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
25 INDICATED.

26 (2) "CONSUMER BUYER" MEANS AN ACTUAL OR PROSPECTIVE  
27 PURCHASER OF A MOTOR VEHICLE PRIMARILY FOR PERSONAL, HOUSEHOLD, OR  
28 FAMILY USE.

1 (3) "DEALER" HAS THE MEANING STATED IN § 15-101 OF THE  
2 TRANSPORTATION ARTICLE.

3 (4) "MOTOR VEHICLE" MEANS A VEHICLE THAT IS REGISTERED IN THE  
4 STATE AS A:

5 (I) CLASS A (PASSENGER) VEHICLE;

6 (II) CLASS D (MOTORCYCLE) VEHICLE;

7 (III) CLASS E (TRUCK) VEHICLE WITH A 3/4 TON OR LESS  
8 MANUFACTURER'S RATED CAPACITY; OR

9 (IV) CLASS M (MULTIPURPOSE) VEHICLE.

10 (B) THIS SECTION APPLIES TO A DEALER THAT ARRANGES A LOAN, ARRANGES  
11 FINANCING, MAKES A CREDIT SALE, SELLS OR OTHERWISE TRANSFERS A  
12 CONDITIONAL SALES CONTRACT, OR MAKES A SIMILAR TRANSACTION FOR A  
13 CONSUMER BUYER IN CONNECTION WITH THE SALE OF A MOTOR VEHICLE TO THE  
14 CONSUMER BUYER.

15 (C) (1) BEFORE A CONSUMER BUYER SIGNS AN AGREEMENT FOR  
16 FINANCING THE PURCHASE OF A MOTOR VEHICLE, A DEALER SUBJECT TO THIS  
17 SUBTITLE SHALL PROVIDE TO THE CONSUMER BUYER A FINANCING DISCLOSURE  
18 FORM THAT:

19 (I) IS SEPARATE FROM THE SALES CONTRACT, FINANCING  
20 AGREEMENT, AND ANY OTHER DOCUMENTS RELATED TO THE SALE OF THE MOTOR  
21 VEHICLE;

22 (II) CONTAINS AT THE TOP OF THE FORM THE NAME, ADDRESS,  
23 AND TELEPHONE NUMBER OF THE DEALER;

24 (III) IS WRITTEN IN THE SAME LANGUAGE AS THE SALES  
25 CONTRACT;

26 (IV) CONTAINS THE VEHICLE IDENTIFICATION NUMBER OF THE  
27 MOTOR VEHICLE BEING SOLD; AND

28 (V) CONTAINS THE FOLLOWING NOTICE IN AT LEAST 12-POINT  
29 TYPE:

30 "NOTICE

31 BASED ON YOUR CREDIT SCORE, THE AMOUNT OF THE LOAN, AND THE TERM OF  
32 THE LOAN, THE LOWEST INTEREST RATE THE DEALER IS ABLE TO ARRANGE FOR YOU  
33 IS \_\_\_\_%. FOR PROCESSING YOUR LOAN, THE DEALER IS ADDING A DEALER MARKUP  
34 OF \_\_\_\_\_% TO THIS INTEREST RATE.

1 YOU MAY BE ABLE TO OBTAIN A LOWER INTEREST RATE FROM YOUR CREDIT  
2 UNION, BANK, OR ANOTHER LENDING SOURCE.

3 IF YOU TAKE DELIVERY OF A MOTOR VEHICLE BEFORE THE INTEREST RATE  
4 AND OTHER TERMS FOR FINANCING THE MOTOR VEHICLE ARE FINALIZED, YOU  
5 HAVE THE RIGHT, UNTIL YOU AND THE LENDER SIGN A FINANCING AGREEMENT  
6 AND THE LENDER PAYS THE DEALER FOR THE MOTOR VEHICLE, TO RETURN THE  
7 MOTOR VEHICLE TO THE DEALER AND HAVE YOUR TRADE-IN VEHICLE, IF ANY,  
8 RETURNED TO YOU."

9 (2) THE FINANCING DISCLOSURE FORM SHALL BE SIGNED BY THE  
10 CONSUMER BUYER AND THE DEALER.

11 (3) THE DEALER SHALL MAINTAIN A COPY OF THE SIGNED FINANCING  
12 DISCLOSURE FORM IN ITS RECORDS RELATING TO THE SALE OF THE MOTOR  
13 VEHICLE.

14 (D) (1) UNTIL THE FINANCING FOR A MOTOR VEHICLE SOLD TO A  
15 CONSUMER BUYER IS FINALIZED, A DEALER SUBJECT TO THIS SECTION:

16 (I) MAY NOT SELL, TRANSFER, ASSIGN, OR OTHERWISE DISPOSE  
17 OF ANY TRADE-IN VEHICLE TAKEN IN CONNECTION WITH THE SALE; AND

18 (II) ON REQUEST OF THE CONSUMER BUYER, SHALL ACCEPT BACK  
19 THE MOTOR VEHICLE SOLD AND RETURN TO THE CONSUMER BUYER ANY TRADE-IN  
20 VEHICLE TAKEN IN CONNECTION WITH THE SALE.

21 (2) FOR PURPOSES OF THIS SUBSECTION, FINANCING FOR A MOTOR  
22 VEHICLE IS FINALIZED WHEN THE FINANCING AGREEMENT IS SIGNED BY THE  
23 CONSUMER BUYER AND LENDER AND THE DEALER RECEIVES PAYMENT FOR THE  
24 MOTOR VEHICLE FROM THE LENDER.

25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
26 October 1, 2005.