S T A T E O F N E W Y O R K

7866

2015-2016 Regular Sessions

I N A S S E M B L Y

May 28, 2015

Introduced by M. of A. BLAKE -- read once and referred to the Committee on Consumer Affairs and Protection

AN ACT to amend the financial services law, in relation to authorizing the superintendent of financial services to oversee and regulate sales of motor vehicles to consumers; to amend the personal property law, in relation to the contents of motor vehicle retail installment contracts; and to amend the vehicle and traffic law, in relation to requiring motor vehicle dealers to provide credit applicants with a copy of all loan application documents, and prohibiting conditional deliveries of motor vehicles

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Section 301 of the financial services law is amended by adding a new subsection (d) to read as follows:

(D) THE SUPERINTENDENT SHALL HAVE THE POWER TO OVERSEE AND REGULATE THE FINANCING OF BOTH NEW AND USED MOTOR VEHICLES PURCHASED IN THIS STATE, INCLUDING THE IMPLEMENTATION OF ARTICLE NINE OF THE PERSONAL PROPERTY LAW, AND MOTOR VEHICLE DEALER TRANSACTIONS WITH CONSUMERS, INCLUDING THOSE SUBJECT TO THE PROVISIONS OF ARTICLE SIXTEEN OF THE VEHICLE AND TRAFFIC LAW.

S 2. Section 302 of the personal property law is amended by adding two new subdivisions 5-a and 5-b to read as follows:

5-A. EVERY RETAIL INSTALLMENT CONTRACT SHALL INCLUDE THE FOLLOWING STATEMENT IN TWELVE POINT TYPE:

"CONDITIONAL DELIVERIES PROHIBITED: IN ACCORDANCE WITH SECTION 417-D OF THE NEW YORK STATE VEHICLE AND TRAFFIC LAW, WHEN THIS CONTRACT IS SIGNED BY THE DEALER AND THE BUYER, AND THE BUYER TAKES THE VEHICLE OFF THE DEALER LOT, THE BUYER IS THE OWNER OF THE VEHICLE AND HAS THE RIGHT TO KEEP THE VEHICLE EXCEPT FOR REASONS OF NON-PAYMENT OF THIS CONTRACT. THE DEALER MAY NOT DEMAND THAT THE VEHICLE BE RETURNED FOR ANY REASON, INCLUDING ALLEGED DENIAL OF ANY FINANCING. DEALERS AND LENDERS MAY ONLY

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets [ ] is old law to be omitted.

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DEMAND THE VEHICLE BE RETURNED FOR REASONS OF NON-PAYMENT BY THE BUYER. DEALERS CANNOT MAKE AN EXCEPTION TO THIS PROVISION WITH ANOTHER CONTRACT OR DOCUMENT."

5-B. EVERY RETAIL INSTALLMENT CONTRACT SHALL SEPARATELY ITEMIZE EACH OF THE FOLLOWING:

(A) THE PRICE PAID FOR THE MOTOR VEHICLE;

(B) THE PRICE OF EACH OPTION, ADD-ON AND ADDITIONAL CHARGE RELATING TO THE SALE OF THE MOTOR VEHICLE;

(C) ALL FEES IMPOSED BY A LENDER UPON THE DEALER OR BUYER RELATED TO FINANCING THE PURCHASE OF THE MOTOR VEHICLE;

(D) THE TOTAL PRICE OF THE MOTOR VEHICLE INCLUDING ALL CHARGES IMPOSED PURSUANT TO PARAGRAPHS (A), (B) AND (C) OF THIS SUBDIVISION.

S 3. The vehicle and traffic law is amended by adding two new sections 417-c and 417-d to read as follows:

S 417-C. CREDIT APPLICATIONS FOR PURCHASE OF MOTOR VEHICLES. 1. EVERY DEALER WHICH APPLIES FOR OR GRANTS ELIGIBILITY FOR THE PROVISION OF CREDIT FOR THE PURCHASE OF A MOTOR VEHICLE SHALL REVIEW AND CONFIRM WITH THE APPLICANT FOR SUCH CREDIT ALL INFORMATION INCLUDED IN THE APPLICATION THEREFOR. SUCH REVIEW AND CONFIRMATION SHALL INCLUDE SPECIFIC CONSIDERATION OF EACH ITEM OF INFORMATION AS TO ITS ACCURACY TO THE BEST OF THE KNOWLEDGE OF THE PARTIES. NO SUCH APPLICATION SHALL BE DEEMED COMPLETE NOR SHALL IT BE SUBMITTED UNLESS THE DEALER AND THE CREDIT APPLICANT SHALL HAVE SIGNED THEIR SIGNATURES ATTESTING THAT ALL INFORMATION IN THE APPLICATION IS ACCURATE AND TRUE TO THE BEST OF THEIR KNOWLEDGE.

2. THE FAILURE OF ANY DEALER TO COMPLY WITH THE PROVISIONS OF THIS SECTION, SHALL GRANT ANY CREDIT APPLICANT, WHO TAKES DELIVERY OF A MOTOR VEHICLE PURCHASED ON THE BASIS OF CREDIT ACQUIRED FOR HIM OR HER BY SUCH DEALER, THE OPTION TO VOID THE SALE OF SUCH MOTOR VEHICLE WITHIN THIRTY DAYS OF THE DELIVERY OF SUCH VEHICLE. UPON THE VOIDING OF ANY SALE PURSUANT TO THIS SUBDIVISION THE DEALER SHALL IMMEDIATELY REPAY TO THE PURCHASER ALL COSTS INCURRED BY SUCH PURCHASER AS A CONSEQUENCE OF THE VOIDED SALE, INCLUDING ANY FINANCING CHARGES AND INTEREST, AND THE FAIR MARKET PRIVATE SALE VALUE OF ANY MOTOR VEHICLE TRADED-IN IN THE COURSE OF SUCH SALE. FURTHERMORE, IN THE EVENT A PURCHASER COMMENCES A CAUSE OF ACTION TO ENFORCE THE PROVISIONS OF THIS SUBDIVISION, A PREVAILING PURCHASER SHALL BE ENTITLED TO COURT COSTS AND REASONABLE ATTORNEY'S FEES.

3. THE PROVISIONS OF THIS SECTION SHALL NOT BE DEEMED TO LIMIT ANY OTHER RIGHT OR REMEDY OF A PLAINTIFF IN LAW OR EQUITY.

S 417-D. CONDITIONAL DELIVERIES; PROHIBITED. 1. NO MOTOR VEHICLE SOLD BY A DEALER SHALL BE DELIVERED TO THE POSSESSION OF A PURCHASER SUBJECT TO ANY CONDITION TO BE COMPLIED WITH AFTER DELIVERY OF POSSESSION OF THE MOTOR VEHICLE.

2. ALL TERMS AND CONDITIONS OF THE SALE OF A MOTOR VEHICLE SHALL BE FULLY AND CLEARLY DISCLOSED, IN WRITING, TO THE PURCHASER PRIOR TO THE DELIVERY OF POSSESSION OF SUCH VEHICLE, AND SHALL BE SIGNED BY BOTH THE DEALER AND THE PURCHASER.

3. EVERY DEALER SHALL PROVIDE A COPY OF THE WRITTEN DISCLOSURES REQUIRED BY SUBDIVISION TWO OF THIS SECTION, AND SHALL ALSO MAINTAIN A COPY THEREOF FOR A PERIOD OF NOT LESS THAN SEVEN YEARS.

S 4. This act shall take effect on the first of January next succeeding the date on which it shall have become a law.