§ 15-702. Surety disclosure. 1. As used in this section:

a. "Consumer" means a natural person.

b. "Consumer credit transaction" or "transaction" means a loan or sale pursuant to which credit is extended to a consumer primarily for personal, family, or household purposes. The term does not include transactions pursuant to a consumer credit account.

c. "Consumer credit account" means an account established pursuant to an agreement under which the creditor may permit the consumer to make purchases or obtain loans, for personal, family or household purposes, from time to time, directly from the creditor or indirectly by use of a credit card, check, or other device as the agreement may provide.

d. "Creditor" means a person, partnership, corporation, association, or other entity who, in the ordinary course of business, regularly enters into or acquires evidences of, consumer credit transactions or extends credit pursuant to consumer credit accounts.

e. "Co-signer" means a natural person who (i) in the case of a consumer credit transaction becomes obligated on the transaction as a co-signer, co-maker, guarantor, endorser or surety, but who does not receive the property, services, or money that is the subject of the transaction. The term does not include a seller, holder or lender who becomes obligated to an assignee of such party's rights; or (ii) in the case of a consumer credit account becomes obligated under the agreement as a co-signer, co-maker, guarantor, endorser or surety with respect either to all purchases and loans, or a specified maximum dollar amount of purchases and loans that will be obtained from time to time pursuant to the agreement whether or not it is contemplated that the co-signer may receive any of the property, services or money to be obtained. The term does not include a seller, holder or lender who becomes obligated to an assignee of such party's rights or a joint applicant for credit who is intended to be primarily liable under the agreement.

2. The creditor shall:

a. before a co-signer becomes obligated on a consumer credit transaction, deliver to the co-signer a completed copy of each note, contract, or other writing evidencing the obligation of the consumer or of the co-signer on the transaction, and a written notice that identifies the debt the co-signer may have to pay and reasonably informs the co-signer of his or her obligation with respect to it;

b. before a co-signer becomes obligated on a consumer credit account, deliver to the co-signer a completed copy of the agreement establishing the account, any other writing evidencing the co-signer's obligation and a written notice that identifies the account the co-signer may have to pay and reasonably informs the co-signer of his or her obligation with respect to it.

If the creditor does not comply with the provisions of this section, the co-signer shall not be obligated as a guarantor of payment as described in subdivision one of section 3-416 of the uniform commercial code.

3. The notice must be in at least ten point type and may be on a separate sheet, attached to a guarantee or similar instrument, or part of the note, contract, or other writing evidencing the consumer credit transaction, or agreement establishing the consumer credit account. A separately signed written acknowledgment of receipt in substantially the form below is prima facie proof of such receipt in any action by or against the co-signer. A notice substantially similar to the following complies with this section:

(a) as to a consumer credit transaction:

NOTICE

You agree to pay the debt identified below although you may not personally receive any property, services, or money. You may be sued for payment although the person who receives the property, services, or money is able to pay. You should know that the Total of Payments listed below does not include finance charges resulting from delinquency, late charges, repossession or foreclosure costs, court costs or attorney's fees, or other charges that may be stated in the note or contract. You

will also have to pay some or all of these costs and charges if the note or contract, the payment of which you are guaranteeing, requires the borrower to pay such costs and charges. If this debt is ever in default, that fact may become a part of your credit record. This notice is not the note, contract, or other writing that obligates you to pay the debt. Read that writing for the exact terms of your obligation.

IDENTIFICATION OF DEBT(S) YOU MAY HAVE TO PAY

_____

(Name of Debtor)

_____

(Name of Creditor)

_____

(Date)

_____ $ _____

(Kind of Debt) (Total of Payments)

I have been given a completed copy of this notice and of each writing that obligates me or the Debtor on this debt.

_____ _____

(Date) (Signed)

(b) as to a consumer credit account:

NOTICE

You agree to pay the debts incurred from time to time on the account identified below although you may not personally receive any property, services, or money. You may be sued for payment although the person opening the account is able to pay. You should know that the Limit of Liability listed below does not include court costs or attorney's fees, or other costs or charges that may be stated in the agreement. You will also have to pay some or all of these costs and charges if the agreement for the consumer credit account, payment of which you are guaranteeing, requires the borrower to pay such costs and charges. If any debt incurred on the account is ever in default, that fact may become a part of your credit record. This notice is not the agreement, or other writing that obligates you to pay. Read that writing for the exact terms of your obligations and of your rights to limit or end your obligations.

IDENTIFICATION OF ACCOUNT(S) YOU MAY HAVE TO PAY

_____

(Name of Debtor)

_____

(Name of Creditor)

_____

(Date)

_____ $ _____

(Kind of Account) (Limit of Liability)

I have been given a completed copy of this notice and of each writing that obligates me or the Debtor on this account.

_____ _____

(Date) (Signed)