

S.135

An act relating to consumer protection and automobile financing

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. 9 V.S.A. chapter 58 is added to read:

CHAPTER 58. MOTOR VEHICLE SALES, LEASES, AND FINANCING;

CONSUMER CREDIT APPLICATIONS

§ 2321. DEFINITIONS

As used in this chapter:

(1) “Consumer” means a person who buys or leases a motor vehicle from a dealer primarily for personal or family use and not primarily for a business, commercial, or agricultural purpose.

(2)(A) “Credit application” means a document that:

(i) summarizes a consumer’s personal information, financial information, or credit information;

(ii) is signed by the consumer; and

(iii) is submitted by the dealer to secure financing for a retail installment contract, loan agreement, or lease agreement.

(B) “Credit application” does not mean:

(i) copies of other documents or information exchanged between a dealer and a creditor to secure financing; or

(ii) pay stubs, utility bills, or other documents that a consumer submits to a dealer to verify the accuracy of personal information in a credit application.

(3)(A) “Creditor” means a person engaged in the business of providing financing and includes a financial institution, credit union, sales finance company, lease finance company, a dealer that provides financing to consumers, and an assignee of these or similar persons.

(B) “Creditor” does not include a credit card company.

(4) “Credit union” has the same meaning as in 8 V.S.A. § 30101(5).

(5) “Dealer” means a person engaged in the business of retail selling or leasing new or used motor vehicles in this State.

(6) “Financial institution” has the same meaning as in 8 V.S.A. § 11101(32).

(7) “Financing” means any mechanism used to provide funding for the sale or lease of a motor vehicle, whether or not the funding is made directly to the consumer, and includes a motor vehicle loan, retail installment contract, finance lease, and any assignment of these or similar instruments.

(8) “Lease” has the same meaning as in 9A V.S.A. § 2A-103(1)(j) when a motor vehicle is the goods under the lease.

(9) “Lease finance company” means a person engaged in the business of purchasing or otherwise acquiring motor vehicle leases.

(10) “Motor vehicle” has the same meaning as in subdivision 2351(1)(A) of this title.

(11) “Retail installment contract” has the same meaning as in subdivision 2351(5) of this title.

(12) “Sales finance company” has the same meaning as in subdivision 2351(10) of this title.

§ 2322. CREDIT APPLICATION; COPY TO CONSUMER

(a) A dealer shall provide a copy of the consumer’s credit application that is used to secure financing for a retail installment contract, loan agreement, or lease agreement for the sale or lease of a motor vehicle at the time the consumer signs the contract or agreement.

(b) If the sale or lease of a motor vehicle is contingent on multiple consumers signing a retail installment contract, loan agreement, or lease agreement:

(1) a dealer shall provide each consumer with a copy of his or her own credit application; and

(2) a dealer shall not provide a copy of the consumer’s credit application to any other person without the consumer’s prior written consent.

§ 2323. ENFORCEMENT

(a) A person who violates a provision of this chapter commits an unfair and deceptive act in commerce in violation of section 2453 of this title.

(b) The Attorney General has the same authority to make rules, conduct civil investigations, and enter into assurances of discontinuance as provided in chapter 63, subchapter 1 of this title.

Sec. 2. EFFECTIVE DATE

This act shall take effect on September 1, 2020.