

1 TO THE HONORABLE SENATE:

2 The Committee on Economic Development, Housing and General Affairs to
3 which was referred Senate Bill No. 135 entitled “An act relating to consumer
4 protection and automobile financing” respectfully reports that it has considered
5 the same and recommends that the bill be amended by striking out all after the
6 enacting clause and inserting in lieu thereof the following:

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

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

9 CONSUMER CREDIT APPLICATIONS

10 § 2321. DEFINITIONS

11 As used in this chapter:

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

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

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

18 (ii) is signed by the consumer; and

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

21 (B) “Credit application” does not mean:

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

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

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

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

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

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

14 (6) “Financial institution” has the same meaning as in 8 V.S.A.
15 § 11101(32).

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

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

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

3 (10) “Motor vehicle” has the same meaning as in subdivision
4 2351(1)(A) of this title.

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

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

9 § 2322. CREDIT APPLICATION; COPY TO CONSUMER

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

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

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

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

1 § 2323. ENFORCEMENT

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

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

7 Sec. 2. EFFECTIVE DATE

8 This act shall take effect on September 1, 2020.

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13 (Committee vote: _____)

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Senator _____

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FOR THE COMMITTEE