

**Yellow Areas are where VADA and VLA disagree – VADA lawyers not yet signed off
January 31, 2020**

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

CHAPTER 58. COPY OF CONSUMER CREDIT APPLICATION FOR MOTOR VEHICLE SALES, LOANS AND LEASES

§ 2321. CREDIT APPLICATION; COPY TO CONSUMER

(a) A **creditor (VLA wants dealer)** shall provide a copy of a consumer's credit application that is being 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 the retail installment contract, loan agreement, or lease agreement, the **creditor (VLA wants dealer)** shall provide a copy of the credit application of each consumer only to that consumer and not to the other consumers on the contract or agreement unless any consumer agrees in writing to a copy of that consumer's credit application being given to another consumer.

(c) **VADA wants:** Creditors have latitude to establish their own credit application information requirements. Dealers may adjust the information provided by a consumer to meet the formatting or other requirements of the bank, credit union, sales finance company or lease finance company that is reviewing the consumer's credit, or to a company that facilitates the submission of credit applications to such entity, to determine whether to take assignment of the contract or agreement, if the information is in compliance with all applicable state and federal laws and regulations.

VLA wants: Dealers may adjust the information provided by a consumer to meet the formatting or other technical requirements of the creditor or the company that facilitates the submission of credit applications to the creditor as long as the information is in compliance with all applicable state and federal laws and regulations.

(d) Nothing in this section shall be construed to require a creditor taking assignment of a retail installment contract, loan agreement, or lease agreement to provide a consumer with a copy of the consumer's credit application.

(d) **VLA:** if (a) is changed to "dealer," this entire subsection is not necessary, but if the committee wants to provide "belts and suspenders, the following should be added: "at the time when the consumer signs the contract or agreement"; if (a) is not changed to "dealer" this section fundamentally conflicts with (a.)

(d) **VADA:** Section (d) is necessary even if (a) is changed to "dealer." There is no conflict between this section and (a) if creditor is retained in (a). VADA does not agree that "at the time when the consumer signs the contract or agreement" should be added.

(e) As used in this section:

(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) “Credit application” means a document summarizing the consumer’s personal information, financial information, or credit information that was signed by the consumer and submitted by the dealer to secure financing for a retail installment contract, loan agreement or lease agreement; provided however, a “credit application” shall not include copies of other documents or information exchanged between the dealer and creditor to secure financing or any pay stubs, utility bills or other documents the consumer submitted to the dealer to verify the accuracy of the personal information contained in the credit application.

(3) “Creditor” means a person engaged in the business of providing financing, including a financial institution, credit union, sales finance company, lease finance company, and a dealer that provides financing to consumers, and any assignee of these or similar persons; provided however, a creditor is not 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 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 subdivision 2351(1)(A) of this title.

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

VADA wants: (f) Violations of this chapter may be enforced by the Commissioner of DFR.

EFFECTIVE DATE:

This Act shall apply to all motor vehicle sales and leases signed on or after **April 1, 2021** (VLA wants July 1, 2020).