

FIRST REGULAR SESSION

[PERFECTED]

# HOUSE BILL NO. 248

## 93RD GENERAL ASSEMBLY

Read 1st time January 18, 2005 and copies ordered printed.

Read 2nd time January 19, 2005 and referred to the Committee on Financial Institutions, January 25, 2005.

Reported from the Committee on Financial Institutions February 14, 2005, with recommendation that the bill Do Pass by Consent, and referred to the Committee on Rules, February 14, 2005.

Reported from the Committee on Rules February 22, 2005, with recommendation that the bill Do Pass by Consent.

Perfectured by Consent March 1, 2005.

STEPHEN S. DAVIS, Chief Clerk

1009L.01P

### AN ACT

To repeal section 365.130, RSMo, and to enact in lieu thereof one new section relating to the motor vehicle time sales law.

*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Section 365.130, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 365.130, to read as follows:

365.130. 1. Any person may purchase or acquire or agree to purchase or acquire from any seller any contract on such terms and conditions and at such price as may be agreed upon between them. Filing of the assignment notice to the buyer of the assignment, and any requirement that the holder maintain dominion over the payments or the motor vehicle if repossessed shall not be necessary to the validity of a written assignment of a contract as against creditors, subsequent purchasers, pledges, mortgages and lien claimants of the seller. Unless the buyer has notice of the assignment of his contract, payment thereunder made by the buyer to the last known holder of the contract shall be binding upon all subsequent holders.

2. The holder of a retail installment contract upon request by the buyer may agree to an amendment thereto to extend or defer the scheduled due date of all or any part of any installment or installments to renew, restate or reschedule the unpaid balance of such contract, and may

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

12 collect for same a refinance charge not to exceed an amount computed as follows: If all or any  
13 part of any installment or installments is deferred for not more than two months the holder may  
14 at his election charge and collect on the amount deferred for the period deferred a refinance  
15 charge computed at a rate which will not exceed the same yield as is permitted on monthly  
16 payment contracts under subsection 1 of section 365.120; provided that the minimum deferment  
17 charge shall be one dollar. Such amendment may also include payment by the buyer of the  
18 additional cost to the holder of premiums for continuing in force any insurance coverages  
19 provided for in the contract and any additional necessary official fees. In any other extension,  
20 renewal, restatement or rescheduling of the unpaid balance, the refinance charge may be  
21 computed as follows: The sum of the unpaid balance as of the refinancing date and the cost for  
22 any insurance and other benefits incidental to the refinancing, any additional necessary official  
23 fees, and any accrued delinquency and collection charges, after deducting a refund credit as for  
24 prepayment pursuant to section 365.140, shall constitute a principal balance, the refinance charge  
25 may be computed for the term of the refinanced contract at the applicable rate for finance charges  
26 provided in subsection 1 of section 365.120 obtained by reclassifying the motor vehicle by its  
27 year model at the time of the refinancing. The provisions of this chapter relating to minimum  
28 finance charges under subsection 2 of section 365.120 and acquisition costs under the refund  
29 schedule in section 365.140 shall not apply in calculating refinance charges. The amendment  
30 to the contract must be confirmed in a writing which shall set forth the terms of the amendment  
31 and the new due dates and amounts of the installments, and shall either be delivered to the buyer  
32 or mailed to him at his address as shown on the contract. Said writing together with the original  
33 contract and any previous amendments thereto shall constitute the retail installment contract.

34 **3. Notwithstanding any other provision of this chapter and upon request by the**  
35 **buyer, the holder of a retail installment contract may agree to an amendment thereto to**  
36 **extend or defer the scheduled due dates on such contract with an original amount of six**  
37 **hundred dollars or more, and provided the debtor agrees in writing, the holder may collect**  
38 **a fee in advance for allowing the debtor to defer monthly payments on the credit so long**  
39 **as the fee on each deferred period is no more than the lesser of fifty dollars or ten percent**  
40 **of the loan payments deferred; however, a minimum fee of twenty-five dollars is permitted.**  
41 **In addition, under this subsection no extensions shall be made until the first recurring**  
42 **monthly payment is collected on any one extension of credit, the original time price**  
43 **differential paid to the holder on the retail installment contract remains the same and this**  
44 **subsection applies only to nonprecomputed extensions of credit.**