



Romney Building, 10th Floor  
Lansing, Michigan 48909  
Phone: 517/373-6466

## HOME SOLICITATION SALES ACT: EXCLUDE CREDIT OFFERS, ETC

### House Bill 4318

Sponsor: Rep. Alan Sanborn

Committee: Insurance and Financial  
Services

Complete to 2-23-99

### A SUMMARY OF HOUSE BILL 4318 AS INTRODUCED 2-23-99

The home solicitation sales act covers sales of goods or services of more than \$25 in which the seller or someone acting for the seller engages in a personal, written, or telephonic solicitation at the residence of the buyer, and the buyer's agreement or offer to purchase is provided at the residence. Generally speaking, the act permits a buyer to cancel a home solicitation sale until midnight of the third business day after the day on which the buyer signs an agreement or offer to purchase. A seller is required to provide notice of the right to cancel, which can also serve as a form for the buyer to use in canceling the sale. Written solicitations were added by legislation in 1998. Public Act 126 of 1998 (House Bill 5216) amended the act to add written solicitations a buyer received at his or her home with the exception of printed advertisements in newspapers and magazines. Public Act 126 specifies that a home solicitation sale includes a sale arising from a postcard or other written notice delivered to a buyer's residence that requests that the buyer contact the seller or seller's agent by telephone to inquire about a good or service, unless the postcard or notice concerns a previous purchase or order or specifies the price of the good or service and accurately describes the good or service (for example, a catalogue).

House Bill 4318 would amend the act to exclude certain transactions from the term "goods or services." It also would make the current language about postcards and written notices serve as the definition of the term "written solicitation."

Under the bill, the term "goods or services" would not include either:

-- a loan, deposit account, or trust account lawfully offered or provided by a federally insured depository institution or a subsidiary or affiliate of such an institution; or

-- an extension of credit subject to the Mortgage Brokers, Lenders, and Services Licensing Act; the Secondary Mortgage Loan Act; the Regulatory Loan Act of 1963; the Consumer Financial Services Act; the Motor Vehicle Sales Finance Act; or Public Act 379 of 1984, which deals with credit card and charge card arrangements.

MCL 445.111

Analyst: C. Couch

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