

**HOME IMPROVEMENT FINANCE ACT (EXCERPT)**  
**Act 332 of 1965**

**PART 4**

**445.1401 Notice of assignment of contract or agreement.**

Sec. 401. Unless the buyer has notice of the actual or intended assignment of a home improvement installment contract or home improvement charge agreement, payment under the contract or agreement by the buyer to the last known holder of the contract or agreement is binding upon all subsequent holders or assignees.

**History:** 1965, Act 332, Eff. Jan. 1, 1966;—Am. 1985, Act 202, Imd. Eff. Dec. 27, 1985.

**445.1402 Statement of payments; furnished by holder, fee.**

Sec. 402. At any time after its execution, but not later than 1 year after the last payment thereunder, the holder of a home improvement installment contract, upon written request of the buyer, shall give or forward to the buyer a written statement of the dates and amounts of payments and the total amount, if any, unpaid thereunder. The statement shall be supplied by the holder once each year without charge; if any additional statement is requested by the buyer, the holder shall supply each statement to the buyer at a charge not exceeding \$1.00 for each additional statement supplied to the buyer. A buyer shall be given a receipt for any payment when made in cash.

**History:** 1965, Act 332, Eff. Jan. 1, 1966.

**445.1403 Payment in full; acknowledgment, release of collateral.**

Sec. 403. After the payment of all sums for which the buyer is obligated under a home improvement installment contract and upon demand made by the buyer, the holder shall deliver, or mail to the buyer at his last known address, such 1 or more good and sufficient instruments as may be necessary to acknowledge payment in full and to release all collateral.

**History:** 1965, Act 332, Eff. Jan. 1, 1966.

**445.1404 Compensation or reward for procurement of contract or agreement prohibited; giving tangible items for advertising or sales promotion purposes.**

Sec. 404. (1) As part of or in connection with the inducement to make a home improvement installment contract or home improvement charge agreement, a person shall not promise or offer to pay, credit, or allow to a buyer any compensation or reward for the procurement of a home improvement installment contract or home improvement charge agreement with others.

(2) A person shall not offer, deliver, pay, credit, or allow to the buyer any gift, bonus, award, merchandise, or cash loan as an inducement to enter into a home improvement installment contract or to make a purchase under a home improvement charge agreement.

(3) A contractor or financing agency may give tangible items to prospective buyers for advertising or sales promotion purposes where the gift is not conditioned upon obtaining a home improvement installment contract or making a purchase under a home improvement charge agreement, but such item shall not have a cost value in excess of \$2.50 and a buyer or other person shall not receive more than 1 such item in connection with any 1 sale.

**History:** 1965, Act 332, Eff. Jan. 1, 1966;—Am. 1985, Act 202, Imd. Eff. Dec. 27, 1985.

**445.1405 Criminal violation of act by personnel deemed violation by contractor; exception.**

Sec. 405. A criminal violation of any of the provisions of this act by a director, manager, partner, officer, salesman, agent or employee of a contractor or financing agency is deemed a criminal violation by such contractor or financing agency, unless it shall appear that the individuals engaged in the management of the contractor or financing agency had no actual or constructive knowledge of the wrongful conduct or was reasonably unable to prevent the violation.

**History:** 1965, Act 332, Eff. Jan. 1, 1966.

**445.1406 Unauthorized charges.**

Sec. 406. A person shall not charge, collect, or receive from a buyer, directly or indirectly, any further or other amount for costs, credit investigation charges, insurance premiums, examination, appraisal, service, brokerage, commission, interest, discount, expense, fee, fine, penalty, or other thing of value in connection with a home improvement installment contract, home improvement charge agreement, or home improvement charge sale, other than the charges authorized by this act. Any such unauthorized charge shall be

unenforceable. Any payment of an unauthorized charge shall be applied to the next maturing installment, or, if a contract has been fully paid or a balance is not owing under an agreement, shall be remitted to the buyer and the buyer shall be entitled to recover all such unauthorized charges.

**History:** 1965, Act 332, Eff. Jan. 1, 1966;—Am. 1985, Act 202, Imd. Eff. Dec. 27, 1985.

#### **445.1407 Cash loans.**

Sec. 407. A cash loan shall not directly or indirectly be included in or combined or consolidated with any home improvement installment contract, home improvement charge sale, or home improvement charge agreement, or with any extension, deferment, refinancing, add-on, or consolidation agreement pertaining thereto.

**History:** 1965, Act 332, Eff. Jan. 1, 1966;—Am. 1985, Act 202, Imd. Eff. Dec. 27, 1985.

#### **445.1409 Waiver.**

Sec. 409. No act, agreement, or statement of a buyer under a home improvement installment contract or home improvement charge agreement constitutes a valid waiver of any provision of this act intended for the benefit or protection of the buyer.

**History:** 1965, Act 332, Eff. Jan. 1, 1966;—Am. 1985, Act 202, Imd. Eff. Dec. 27, 1985.

#### **445.1410 Effect of act as to prior contracts.**

Sec. 410. This act does not apply to or affect the validity of a home improvement installment contract otherwise within the purview of this act, which is made prior to the effective date of the respective provisions of this act governing such contracts.

**History:** 1965, Act 332, Eff. Jan. 1, 1966.

#### **445.1421 Violation of act; misdemeanor, penalty.**

Sec. 421. Any person who wilfully violates any provision of this act or directs or consents to such violation, is guilty of a misdemeanor and, upon conviction thereof, may be punished by imprisonment in the county jail for a period not to exceed 90 days and may be fined not more than \$500 or both for the first offense; and for each subsequent offense a like fine or imprisoned not to exceed 1 year, or both. Violation of any order, decree or injunction issued pursuant to the provisions of this act shall constitute prima facie proof of a violation of this section.

**History:** 1965, Act 332, Eff. Jan. 1, 1966.

#### **445.1422 Violation of act; injunction; violation of injunction, civil penalty.**

Sec. 422. (1) The attorney general or the prosecuting attorney of any county may bring an action in the name of the state to restrain or prevent any violation of this act or any continuance of any such violation. Such action, in the case of the attorney general, shall be brought in the circuit court of Ingham county, upon which jurisdiction thereof is conferred, and, in the case of the prosecuting attorney, in the county where the defendant resides, has his principal place of business, or where the act sought to be restrained has been, or is about to be, performed.

(2) A person who violates any order or decree entered, or injunction issued, pursuant to subsection (1) is liable to a civil penalty of not more than \$1,000.00, in the discretion of the court, to be recovered as judgments are now by law recovered. For the purpose of this section, the circuit court entering any order or judgment, or issuing any injunction, under the provisions of this section may retain jurisdiction, and the cause may be continued.

(3) Any penalty directed to be paid under the provisions of this section shall be in addition to any penalty which may be imposed under the provisions of section 421.

**History:** 1965, Act 332, Eff. Jan. 1, 1966.

#### **445.1431 Effective date of act.**

Sec. 431. This act shall take effect January 1, 1966.

**History:** 1965, Act 332, Eff. Jan. 1, 1966.