

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

**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.