

RETAIL INSTALLMENT SALES ACT (EXCERPT)
Act 224 of 1966

445.865 Purchase or acquisition of retail installment contract or retail charge agreement by assignee; terms, conditions, and price; evidence of obligation; validity of written assignment; notice; payment to last known holder; claims and defenses; sales to which section applicable.

Sec. 15. Notwithstanding the provisions of any other law and notwithstanding any agreement to the contrary:

(a) An assignee may purchase or acquire or agree to purchase or acquire any retail installment contract or retail charge agreement or any outstanding balance under either from a seller on the terms and conditions and for a price as may be mutually agreed upon, but a person shall not take a negotiable instrument, other than a currently dated check or draft, as evidence of the obligation of the buyer in a retail installment transaction.

(b) Filing of the assignment, notice to the buyer of the assignment, and any requirement that the seller be deprived of dominion over payments upon a retail installment contract or retail charge agreement, or over the goods if returned to or repossessed by the seller, shall not be necessary to the validity of a written assignment of the retail installment contract or retail charge agreement or any outstanding balance under either as against creditors, subsequent purchasers, pledgees, mortgagees, and lien claimants of the seller.

(c) Unless the assignee gives written notice of the assignment to the buyer by certified mail, or personally serves the buyer with the notice, a payment made by the buyer to the holder last known to the buyer shall be binding upon all subsequent holders.

(d) A holder of a retail installment contract of the buyer is subject to all the claims and defenses of the buyer arising out of the retail installment transaction, but the buyer's recovery shall not exceed the amount paid to the holder thereunder.

(e) This section shall apply only to sales made pursuant to a retail installment contract.

History: 1966, Act 224, Eff. Mar. 10, 1967;—Am. 1972, Act 161, Eff. Jan. 1, 1973;—Am. 1980, Act 76, Imd. Eff. Apr. 3, 1980.