

MOTOR VEHICLE SALES FINANCE ACT (EXCERPT)
Act 27 of 1950 (Ex. Sess.)

492.115 Installment sale contract; sale, transfer, assignment; notice to buyer; exception; assignment contracts.

Sec. 15. (a) Whenever an installment sale contract is lawfully sold, transferred or assigned to a person who is licensed as a sales finance company, pursuant to the provisions of this act, such new holder shall furnish to the buyer in such contract a written notice of such sale, transfer or assignment, excepting when assignment is made only to secure a bona fide commercial loan or pursuant to a bulk sale of installment sale contracts. Such notices shall set forth the name and address of the new holder and shall notify the buyer of the name and address of the person authorized to receive future payments on such contract. If such notice has not been given, any payment or tender of payment made to and any service of notice on the last known holder by the buyer shall be binding upon any subsequent holder. No installment sales contract shall be sold to any person doing business in this state who is not licensed under the provisions of this act.

(b) The provisions of this section shall not apply to an assignment of an aggregation of installment sale contracts, which is executed by a seller or sales finance company in connection with a bulk sale or as collateral security for a bona fide commercial loan, obtained at lawful rates of interest from a person regularly engaged in the business of lending money on the security of such assigned collateral, and under which, in the absence of default or other bona fide breach of the loan contract, ownership of the assigned contracts remains vested in the assignor and collection of payments on such assigned contracts is made by the assignor: And provided, That such assignment and loan contracts are not for the purpose of evading or circumventing the provisions of this act.

History: 1950, Ex. Sess., Act 27, Eff. Mar. 31, 1951.