

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

492.120 Installment sale contract; default charge; maximum rate; computation; collection.

Sec. 20. A default charge may be collected on each installment payment of an installment sale contract, including a contract subject to section 41, that is not paid on or before the due date of the payment. The default charge shall not exceed the rate permitted in the credit reform act on the amount of each payment in arrears. The default charge may be computed on the basis of a full calendar month for any fractional month period in excess of 10 days. Each default charges may be collected, when earned, during the term of the contract, or may be accumulated and collected at final maturity or at the time of final payment under the contract. The default charge shall not be collected on any payment in default because of an acceleration provision in the contract.

History: 1950, Ex. Sess., Act 27, Eff. Mar. 31, 1951;—Am. 1993, Act 107, Imd. Eff. July 16, 1993;—Am. 1995, Act 166, Eff. Mar. 28, 1996.

Compiler's note: At the beginning of the fourth sentence, "Each default charges may..." evidently should read "Each default charge may..."