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H.903

Introduced by Representatives Lippert of Hinesburg and Smith of Derby  
Referred to Committee on  
Date:  
Subject: Commerce and trade; consumer protection  
Statement of purpose of bill as introduced: This bill proposes to provide  
protections for a consumer buying or leasing a motor vehicle.

An act relating to consumer protection and automobile financing

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. 9 V.S.A. chapter 58 is added to read:

CHAPTER 58: MOTOR VEHICLE CONSUMER PROTECTION

§ 2321. ENFORCEMENT

(a) A person who violates a provision of this chapter commits an unfair and  
deceptive act in commerce in violation of section 2453 of this title.

(b) A consumer who sustains damages or injury resulting from a violation  
of this chapter may sue and recover for:

(1) equitable relief;

(2) the greatest of:

(A) the amount of his or her damages;

1           (B) the consideration or the value of the consideration given by the  
2           consumer; or

3           (C) \$500.00 for a first violation or \$1,000.00 for each additional  
4           violation;

5           (3) exemplary damages not exceeding three times the value of the  
6           amount recovered pursuant to subdivision (2) of this subsection; and

7           (4) if the consumer substantially prevails, his or her costs and reasonable  
8           attorney's fees.

9           (c) The Attorney General has the same authority to make rules, conduct  
10          civil investigations, and enter into assurances of discontinuance as provided in  
11          chapter 63, subchapter 1 of this title.

12          § 2322. DEFINITIONS

13          As used in this chapter:

14           (1) "Consumer" means a person who offers or agrees to buy or lease, or  
15           who buys or leases, a motor vehicle from a dealer.

16           (2) "Credit application" means any documents or materials, whether in  
17           paper or electronic format, that:

18           (A) relate to a consumer's personal information, financial  
19           information, credit information, or credit worthiness; and

20           (B) are submitted for the purpose of securing financing for the sale or  
21           lease of a motor vehicle to the consumer.

1           (3) “Dealer” means a person engaged in the business of retail selling or  
2           leasing new or used motor vehicles in this State.

3           (4) “Financing” means any mechanism used to provide funding for the  
4           sale or lease of a motor vehicle, whether or not the funding is made directly to  
5           the consumer, and includes a motor vehicle loan, retail installment contract,  
6           finance lease, and any assignment of these or similar instruments.

7           (5) “Financier” means a person engaged in the business of providing  
8           financing and includes a bank, credit union, or sales finance company; a dealer  
9           that provides financing to consumers; and any assignee of these or similar  
10          persons.

11          (6) “Motor vehicle” means a car, truck, van, motorcycle, or similar  
12          vehicle with motive power designed primarily for the transportation of one or  
13          more passengers.

14          (7) “Retail installment contract” has the same meaning as in  
15          subdivision 2351(5) of this title.

16          (8) “Sales finance company” has the same meaning as in  
17          subdivision 2351(10) of this title.

18          § 2323. CREDIT APPLICATION; ACCURACY; DUTY TO DISCLOSE

19          (a) A dealer shall not submit to a financier in a credit application any  
20          information that:

1           (1) the dealer knows or reasonably should know is false, inaccurate, or  
2           misleading; or

3           (2) materially differs from the information provided by a consumer.

4           (b) A dealer shall provide a copy of a credit application to the consumer at  
5           the time the dealer submits it to a financier.

6           (c) A financier who receives a credit application shall deliver a copy to the  
7           consumer not later than three days after receiving the consumer's request.

8           § 2324. DEALER FINANCE CHARGE PARTICIPATION; PROHIBITION

9           A dealer who submits a credit application to one or more financiers and  
10          receives an offer or approval of financing:

11          (1) shall disclose to the consumer the interest rate, terms, and conditions  
12          of any offer or approval of financing made by each financier; and

13          (2) in the case of a retail installment contract, shall not mark up by more  
14          than two percent the minimum interest rate at which a sales finance company is  
15          willing to purchase or assume the retail installment contract.

16          § 2325. DOCUMENTATION FEE; MAXIMUM

17          A dealer may charge a fee for goods and services related to the preparation  
18          of documents not to exceed \$150.00.

19          Sec. 2. EFFECTIVE DATE

20          This act shall take effect on July 1, 2020.