

HB 3178 A STAFF MEASURE SUMMARY

Senate Committee On Labor and Business

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Meeting Dates: 4/17

WHAT THE MEASURE DOES:

The measure requires a seller to provide a buyer a retail installment contract disclosure document, that includes a right to void the transaction within 10 calendar days, contact information for the Oregon State Bar and the Oregon Department of Justice in case the seller fails to comply, and a statement that the document is available in multiple languages. It requires the Attorney General to provide the model form and translations in the five specified languages. The measure specifies requirements for a seller if it does not agree to purchase or voids the transaction and outlines several eventualities if a trade-in vehicle that is part of the transaction is sold by the seller before receiving lender's final approval of funding. Applies to retail installment contracts and lease agreements entered into on or after effective date of this measure.

REVENUE: No revenue impact

FISCAL: Has minimal fiscal impact

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

In the course of selling cars on days when financial institutions are closed, car dealers can make deals contingent on financing. The dealer will look for a financial institution willing to take the loan at the terms that were negotiated. If no financial institution is willing to accept the terms, the dealer must undo the transaction. Under current law the dealer has 14 days to try to find a financial institution to purchase the instalment contract or lease agreement.

HB 3178 A shortens the statutory time allowed for an auto dealer to finalize a lending agreement after a transaction has been completed from 14 days to 10 days and requires the dealer to provide the buyer with a retail installment contract disclosure document.