

**HB 3178 A STAFF MEASURE SUMMARY****Carrier:** Rep. Sosa**House Committee On Commerce and Consumer Protection**

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**Action Date:** 04/01/25**Action:** Do pass with amendments. (Printed A-Eng.)**Vote:** 8-0-2-0**Yeas:** 8 - Chaichi, Chotzen, Gomberg, Neron, Osborne, Reschke, Sosa, Walters**Exc:** 2 - Cate, Wallan**Fiscal:** Has minimal fiscal impact**Revenue:** No revenue impact**Prepared By:** Andrew Hendrie, LPRO Analyst**Meeting Dates:** 2/4, 4/1

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**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 Bar and the Oregon Department of Justice if the dealer 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 dealer before the dealer voids the contract.

**ISSUES DISCUSSED:**

- How the car buying process would change with a 4-day time limit
- The cost of adoption for vehicle dealers
- The number of days needed to complete a vehicle transaction

**EFFECT OF AMENDMENT:**

The amendment outlines the contents of a retail installment contract disclosure document, that includes a right to void the transaction within 10 calendar days, contact information for the Oregon Bar and the Oregon Department of Justice if the dealer 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 amendment also specifies what happens if the seller sells the trade in or pays off the existing loan on the trade in before receiving final approval of funding from the lender.

**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 installment 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.