
ENGROSSED SENATE BILL No. 467

DIGEST OF SB467 (Updated February 19, 1998 3:18 pm - DI 84)

Citations Affected: IC 9-23-2.5-8; IC 9-23-2.5-9.

Synopsis: Automobile lease term disclosure. Requires a retail lessor of motor vehicles to comply with the disclosure requirements imposed by federal law. Specifies a statement that must be included in a lease agreement as part of complying with the federal disclosure requirements. Removes a specification that certain statements must be included in a lease agreement. Requires a lease agreement to state the amount of net credit of a trade-in vehicle used to pay amounts due at the time the lease is signed or the vehicle is delivered.

Effective: July 1, 1998.

Wheeler, Worman

(HOUSE SPONSORS — SUMMERS, RICHARDSON, MOSES)

January 14, 1998, read first time and referred to Committee on Commerce and Consumer Affairs.

January 27, 1998, reported favorably — Do Pass.

January 30, 1998, read second time, ordered engrossed. Engrossed.

February 3, 1998, read third time, passed. Yeas 50, nays 0.

HOUSE ACTION

February 10, 1998, read first time and referred to Committee on Economic Growth and Regulatory Relief.

February 16, 1998, reported — Do Pass.

SEA 467+



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Second Regular Session 110th General Assembly (1998)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1997 General Assembly.

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SENATE ENROLLED ACT No. 467

AN ACT to amend the Indiana Code concerning motor vehicles.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 9-23-2.5-8, AS ADDED BY P.L.86-1996, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 8. A retail lessor ~~must comply with each of~~ **shall do** the following:

(1) **Comply with the requirements of Regulation M (12 CFR 213) for disclosure of gross capitalized cost, capitalized cost reduction, and adjusted capitalized cost adopted under the federal Truth in Lending Act (15 U.S.C. 1601 et seq.).**

(2) Disclose to a retail lessee in a separate blocked section in a lease agreement, in capital letters of at least 10 point bold type ~~with the appropriate amounts specified~~, the following:

THIS IS A LEASE AGREEMENT.

THIS IS NOT A PURCHASE AGREEMENT.

PLEASE REVIEW THESE MATTERS CAREFULLY AND SEEK INDEPENDENT PROFESSIONAL ADVICE IF YOU HAVE ANY QUESTIONS CONCERNING THIS TRANSACTION. YOU ARE ENTITLED TO AN EXACT COPY OF THE AGREEMENT YOU SIGN.

CAPITALIZED COST \$ _____

SEA 467+



(THE AGREED UPON VALUE OF THE VEHICLE AND ANY CAPITALIZED ITEMS SUCH AS TAXES, FEES, SERVICE CONTRACTS, INSURANCE, AND OUTSTANDING PRIOR LOAN OR LEASE BALANCE.)

CAPITALIZED COST REDUCTION \$_____

(YOUR TOTAL CREDITS.)

ADJUSTED OR NET CAPITALIZED COST \$_____

(THE INITIAL AMOUNT USED IN DETERMINING THE BASE MONTHLY PAYMENTS, OR OTHER PERIODIC OR SINGLE PAYMENTS.)

(2) (3) Provide the retail lessee with a copy of each document signed by the retail lessee during the course of a lease transaction.

SECTION 2. IC 9-23-2.5-9, AS ADDED BY P.L.86-1996, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 9. A trade-in vehicle used, **in whole or in part**, to ~~reduce the capitalized cost~~ **pay amounts due at lease signing or delivery of the vehicle** must be identified as a trade-in vehicle in the lease agreement and identified by year, make, and model. The lease agreement must state the net credit of the trade-in vehicle used to ~~reduce capitalized costs:~~ **pay amounts due at lease signing or delivery of the vehicle.**

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