

Enrolled House Bill 2211

Ordered printed by the Speaker pursuant to House Rule 12.00A (5). Pre-session filed (at the request of Attorney General Hardy Myers for Department of Justice)

CHAPTER

AN ACT

Relating to motor vehicle leases; creating new provisions; and amending ORS 83.510, 83.520, 83.540, 83.560, 83.565, 83.580, 83.620, 83.650, 83.670, 83.811, 83.813, 83.820, 83.850, 83.860 and 83.875.

Be It Enacted by the People of the State of Oregon:

SECTION 1. ORS 83.510 is amended to read:

83.510. As used in ORS 83.510 to 83.680 except where the context otherwise requires:

(1) "Cash sale price" means the price for which the [*seller*] **motor vehicle dealer** would sell to the buyer, and the buyer would buy from the [*seller*] **motor vehicle dealer**, the motor vehicle which is covered by the retail installment contract, if the sale were a sale for cash instead of a retail installment sale. The cash sale price may include any taxes, registration, license and other fees and charges for accessories and their installation and for delivering, servicing, repairing or improving the motor vehicle.

(2) "Finance charge" means that part of the time sale price which exceeds the aggregate of the cash sale price, the amounts, if any, included in a retail installment sale for insurance and other benefits, and official fees.

(3) "Financing agency" means a person engaged, in whole or in part, in purchasing or otherwise acquiring retail installment contracts **or retail lease agreements** from one or more [*retail sellers*] **motor vehicle dealers or retail lessors**. The term includes, but is not limited to, financial institutions, as defined in ORS 706.008, and consumer credit companies, if so engaged. The term also includes a [*retail seller*] **motor vehicle dealer or retail lessor** engaged, in whole or in part, in the business of holding retail installment contracts **or retail lease agreements** acquired from retail buyers **or retail lessees**. The term does not include the pledgee or other holder of more than one retail installment contract **or retail lease agreement** pledged or otherwise given by a [*retail seller*,] **motor vehicle dealer** or a transferee from the [*retail seller*,] **motor vehicle dealer** to a lender as collateral security for a loan made to the [*retail seller*] **motor vehicle dealer** or transferee of the [*retail seller*] **motor vehicle dealer**.

(4) "Holder" of a retail installment contract **or retail lease agreement** means the [*retail seller*] **motor vehicle dealer or retail lessor** of the motor vehicle covered by the contract **or lease** or, if the contract **or lease** is purchased or otherwise acquired by a financing agency or other assignee, the financing agency or other assignee.

(5) "Mobile home" means a structure, transportable in one or more sections, which is eight body feet or more in width and 32 body feet or more in length, and which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to

the required utilities. The term includes the plumbing, heating, air conditioning and electrical systems contained within the structure.

(6) "Motor vehicle" or "vehicle" means:

(a) A self-propelled device used for transportation of person or property upon a public highway.

(b) A trailer, semitrailer, mobile home or trailer home. The term does not include tractors, power shovels, road machinery, agricultural machinery, boat trailers or other machinery not designed primarily for highway transportation but which may be used incidentally to transport persons or property on a public highway, or devices which move upon or are guided by a track or travel through the air.

(7) "Motor vehicle dealer" means any person who sells, trades, leases, displays or offers for sale, trade, lease or exchange motor vehicles pursuant to a retail installment contract or retail lease agreement or who offers to negotiate or purchase motor vehicles on behalf of third parties pursuant to a retail installment contract or retail lease agreement.

[(7)] **(8) "Official fees" means the filing or other fees required by law to be paid to a public officer to perfect the interest or lien, in or on a motor vehicle, retained or taken by a [seller] motor vehicle dealer under a retail installment contract or retail lease agreement, and to file or record a release, satisfaction or discharge of the contract.**

[(8)] **(9) "Person" means individual, partnership, corporation, association or other group, however organized.**

[(9)] **(10) "Retail buyer" or "buyer" means a person who buys a motor vehicle from a [retail seller] motor vehicle dealer and who executes a retail installment contract in connection therewith.**

[(10)] **(11) "Retail installment contract" or "contract" means an agreement, entered into in this state, pursuant to which the title to, the property in or a lien upon a motor vehicle, which is the subject matter of a retail installment sale, is retained or taken by a [retail seller] motor vehicle dealer from a retail buyer as security, in whole or in part, for the buyer's obligation. The term includes a chattel mortgage, a conditional sales contract and a contract for the bailment or leasing of a motor vehicle by which the bailee or lessee contracts to pay as compensation for its use a sum substantially equivalent to or in excess of its value and by which it is agreed that the bailee or lessee is bound to become, or for no other or for a merely nominal consideration has the option of becoming, the owner of the motor vehicle upon full compliance with the terms of the contract.**

[(11)] **(12) "Retail installment sale" or "sale" means a sale of a motor vehicle by a [retail seller] motor vehicle dealer to a retail buyer for a time sale price payable in one or more installments, payment of which is secured by a retail installment contract. The term includes a bailment or leasing as [defined] described in subsection [(10)] (11) of this section. It does not include a sale of a motor vehicle for resale in the ordinary course of the buyer's business.**

(13) "Retail lease" means a lease of a motor vehicle by a retail lessor to a retail lessee, payment of which is secured by a retail lease agreement. "Retail lease" does not include a lease that constitutes a retail installment contract.

(14) "Retail lease agreement" means an agreement entered into in this state between a retail lessor and a retail lessee for the lease of a motor vehicle. The agreement shall be in the form of a bailment or lease for the use of a motor vehicle by an individual for personal, family or household purposes, whether or not the retail lessee has the option to purchase or otherwise become the owner of the motor vehicle at the expiration of the lease.

(15) "Retail lessee" means a person who leases a motor vehicle from a retail lessor by entering into a retail lease agreement.

(16) "Retail lessor" means a motor vehicle dealer who transfers an interest in or supplies a motor vehicle to a retail lessee, regardless of whether or not the motor vehicle dealer is identified as the retail lessor on the retail lease agreement.

[(12) "Retail seller" or "seller" means a person who sells a motor vehicle to a retail buyer pursuant to a retail installment contract.]

[(13)] (17) "Time sale price" means the aggregate of the cash sale price of the motor vehicle, the amount, if any, included for insurance and other benefits, official fees and the finance charge.

SECTION 2. ORS 83.820 is amended to read:

83.820. (1) In any contract for the sale or lease of **motor vehicles on any form of credit, or of consumer goods or services on credit**, entered into between a **motor vehicle dealer**, retail seller **or retail lessor** and a retail buyer **or retail lessee**, such contract, note or any instrument or evidence of indebtedness of the buyer **or lessee** shall have printed on the face thereof the words "consumer paper," and such contract, note, instrument or evidence of indebtedness with the words "consumer paper" printed thereon shall not be a negotiable instrument within the meaning of ORS chapter 73. However, this section shall have no force or effect on the negotiability of any contract, promissory note, instrument or other evidence of indebtedness owned or guaranteed or insured by any state or federal governmental agency even though said contract, note, instrument or other evidence of indebtedness shall contain the wording required by this subsection.

(2) Notwithstanding the absence of such notice on a contract, note, instrument or evidence of indebtedness arising out of a consumer credit sale, [or] consumer lease **or the sale or lease of a motor vehicle on any form of credit** as described in this section, an assignee of the rights of the **motor vehicle dealer**, seller or lessor is subject to all claims and defenses of the buyer or lessee against the **motor vehicle dealer**, seller or lessor arising out of the sale or lease. Any agreement to the contrary shall be of no force or effect in limiting the rights of a consumer under this section. The assignee's liability under this section may not exceed the amount owing to the assignee at the time the claim or defense is asserted against the assignee. The restrictions imposed hereby shall not apply with respect to any promissory note, contract, instrument or other evidence of indebtedness owned or guaranteed or insured by any state or federal governmental agency even though said note, contract, instrument or other evidence of indebtedness shall contain the words required by subsection (1) of this section.

(3) An assignee of "consumer paper" who in good faith enforces a security interest in property held by the buyer or lessee shall not be liable to such buyer or lessee for punitive damages in an action for wrongful repossession. The fact that a **motor vehicle dealer**, seller or lessor has broken the warranties of the **motor vehicle dealer**, seller or lessor with regard to the property sold or leased shall not, of itself, make an assignee's repossession wrongful.

(4) Notwithstanding the absence of notice as provided in subsection (1) of this section, an assignee of the rights of the **motor vehicle dealer**, seller or lessor who [loans] **lends** money to the buyer or lessee for the purpose of paying off the amount owing to the assignee under the contract, note, instrument or evidence of indebtedness is subject to all claims and defenses of the buyer or lessee against the **motor vehicle dealer**, seller or lessor arising out of the sale or lease. The assignee's liability under this subsection may not exceed the amount that would be owing to the **motor vehicle dealer**, seller or lessor under the contract, note, instrument or evidence of indebtedness at the time the claim or defense is asserted had the obligation not been paid off. Assignee shall include a parent, subsidiary or other business entity similarly related to the assignee, and the assignee's liability shall extend to anyone who holds the buyer's or lessee's new instrument or evidence of indebtedness.

SECTION 3. ORS 83.850 is amended to read:

83.850. As used in ORS 83.850 and 83.860:

(1) "**Financing agency,**" "**motor vehicle dealer,**" "**retail lease,**" "**retail lessee**" and "**retail lessor**" have the meanings given those terms in ORS 83.510.

[(1)] (2) "Goods" has the meaning for that term provided in ORS 83.010.

[(2)] (3) "Motor vehicle" means a motor vehicle as defined in ORS 83.510 purchased primarily for personal, family or household purposes and not primarily for business or commercial purposes.

[(3)] (4) A loan is made "in close connection with a sale of goods or motor vehicles" if:

(a) The lender directly or indirectly controls, is controlled by or is under common control with the seller **or motor vehicle dealer**, unless the relationship is remote and is not a factor in the transaction; [or]

(b) The lender gives a commission, rebate or credit in any form to a seller **or motor vehicle dealer** who refers the borrower to the lender, other than payment of the proceeds of the loan jointly to the seller **or motor vehicle dealer** and the borrower; [or]

(c) The lender is related to the seller **or motor vehicle dealer** by blood or marriage; [or]

(d) The seller **or motor vehicle dealer** directly and materially assists the buyer in obtaining the loan; [or]

(e) The seller **or motor vehicle dealer** prepares documents [which] **that** are given to the lender and used in connection with the loan; or

(f) The lender supplies documents to the seller **or motor vehicle dealer** used by the consumer in obtaining the loan.

(5) A lease is made or funded "in close connection with a retail lease of a motor vehicle" if:

(a) The retail lessor or financing agency directly or indirectly controls, is controlled by or is under common control of the motor vehicle dealer supplying the vehicle to the retail lessee, unless the relationship is remote and is not a factor in the transaction;

(b) The retail lessor or financing agency gives a commission, rebate, financing reserve or credit in any form to a motor vehicle dealer who refers the retail lessee to the retail lessor or financing agency, other than payment of the proceeds of the lease;

(c) The retail lessor or financing agency is related to the motor vehicle dealer by blood or marriage;

(d) The motor vehicle dealer directly or materially assists the retail lessee in obtaining the lease;

(e) The motor vehicle dealer prepares documents that are given to the retail lessor or financing agency and used in connection with the lease; or

(f) The retail lessor or financing agency supplies documents to the motor vehicle dealer used by the retail lessee in obtaining the lease.

[4] **(6) Credit extended pursuant to a credit card issued by a lender is not a loan "in close connection with a sale of goods or motor vehicles" or a loan "in close connection with a retail lease of a motor vehicle" unless the credit card is issued contemporaneously with the extension of the credit.**

SECTION 4. ORS 83.860 is amended to read:

83.860. (1) If a lender makes a loan in close connection with the sale of goods or motor vehicles, the lender is subject to all claims and defenses of the borrower that the borrower as buyer has against the seller **or motor vehicle dealer** arising out of the sale, notwithstanding any agreement to the contrary. However, the lender's liability to the borrower shall not exceed the amount owing to the lender, exclusive of unearned interest, at the time the claim or defense is asserted.

(2) If a lender who makes a loan in close connection with a sale of goods or motor vehicles negotiates **or assigns** any note or other instrument taken as evidence of the obligation of the borrower, the holder of the note or other instrument shall be subject to the claims or defenses of the borrowers set forth in subsection (1) of this section. However, the liability of the holder of the note or other instrument to the borrower shall not exceed the amount owing to the lender exclusive of unearned interest at the time the claim or defense is asserted.

(3) If a financing agency makes or funds a lease in close connection with a retail lease of a motor vehicle, the financing agency is subject to all claims and defenses that the retail lessee has against the retail lessor arising out of the retail lease, notwithstanding any agreement to the contrary. However, the financing agency's liability to the retail lessee shall not exceed the amount owing to the financing agency, exclusive of unearned interest, at the time the claim or defense is asserted.

(4) If a financing agency that makes or funds a loan in close connection with a retail lease of a motor vehicle negotiates or assigns any note or other instrument taken as evidence of the obligation of the retail lessee, the holder of the note or other instrument shall be subject to the claims or defenses of a retail lessee set forth in subsection (3) of this sec-

tion. However, the liability of the holder of the note or other instrument to a retail lessee shall not exceed the amount owing to the financing agency exclusive of unearned interest at the time the claim or defense is asserted.

SECTION 5. ORS 83.520 is amended to read:

83.520. (1) A retail installment contract shall be in writing, shall contain all the agreements of the parties, shall contain the names of the [seller] **motor vehicle dealer** and the buyer, the place of business of the [seller] **motor vehicle dealer**, the residence or place of business of the buyer as specified by the buyer and a description of the motor vehicle including its make, year model, model and identification numbers or marks, and shall be signed by the buyer and the [seller] **motor vehicle dealer**.

(2) The printed portion of the contract shall be in at least 8-point type. The contract shall contain in printing or writing of a size equal to at least 10-point bold type, the following:

(a) Both at the top of the contract and directly above the space reserved for the signature of the buyer, the words "RETAIL INSTALLMENT CONTRACT";

(b) A specific statement that liability insurance coverage for bodily injury and property damage caused to others is not included, if that is the case; and

(c) The following notice:

NOTICE TO THE BUYER

Do not sign this contract before you read it or if it contains any blank space, except that:

(1) If delivery of the motor vehicle or mobile home is to be made to you after this contract is signed, the serial number or other identifying information and the due date of the first installment may be filled in at the time of delivery; and

(2) If the name of the financing agency is not known at the time the contract is executed, the name of the financing agency may be inserted in the contract on or about the date the name of the financing agency is known.

You are entitled to a copy of this contract.

You have the right to pay off in advance the full amount due and to obtain a partial refund of the finance charge.

(3) The contract shall contain the following items:

(a) The cash sale price of the motor vehicle which is the subject matter of the retail installment sale.

(b) The amount of the buyer's down payment, itemizing the amounts, if any, paid or credited in money or in goods and containing a brief description of the goods traded in.

(c) The difference between the items set forth in paragraphs (a) and (b) of this subsection.

(d) The amount, if any, included for insurance and other benefits, specifying the coverages and benefits. For purposes of this paragraph, "other benefits" includes any amounts actually paid or to be paid by the [seller] **motor vehicle dealer** pursuant to an agreement with the buyer to discharge a security interest, lien or lease interest on property traded in.

(e) The amount, if any, of official fees[, *as defined in ORS 83.510 (7)*].

(f) The principal balance, which is the sum of the items set forth in paragraphs (c), (d) and (e) of this subsection.

(g) The amount of the finance charge.

(h) The time balance, which is the sum of the items set forth in paragraphs (f) and (g) of this subsection.

(i) The time sale price.

(j) A plain and concise statement of the amount in dollars of each installment or future payment to be made by the buyer, the number of installments required, and the date or dates at which, or period or periods in which, the installments are due.

(4) The contract may contain additional items to explain the calculations involved in determining the stated time balance to be paid by the buyer.

SECTION 6. ORS 83.540 is amended to read:

83.540. The [seller] **motor vehicle dealer** shall deliver to the buyer, or mail to the buyer at the address shown on the contract, a copy of the contract signed by the [seller] **motor vehicle dealer**. Until the [seller] **motor vehicle dealer** does so, a buyer who has not received delivery of the motor vehicle shall have an unconditional right to cancel the contract and to receive immediate refund of any amount paid and redelivery of all goods delivered or traded in to the [seller] **motor vehicle dealer** on account of or in contemplation of the contract. An acknowledgment by the buyer of delivery of a copy of the contract shall be printed or written in a size equal to at least 10-point bold type and, if contained in the contract, shall also appear directly above the legend required above the buyer's signature by ORS 83.520 (2)(a).

SECTION 7. ORS 83.560 is amended to read:

83.560. A [retail seller] **motor vehicle dealer** may, in a retail installment contract, contract for and charge, receive and collect a finance charge agreed upon by the [seller] **motor vehicle dealer** and buyer.

SECTION 8. ORS 83.565 is amended to read:

83.565. (1) Notwithstanding any other provision of ORS 83.510 to 83.680 and 83.820 to 83.895, a [retail seller] **motor vehicle dealer**, in a retail installment contract, may contract for and charge, receive and collect a finance charge computed by the actuarial method.

(2) When a retail installment contract provides for a finance charge computed by the actuarial method:

(a) The retail installment contract may provide for any other charge, cost or fee allowed under ORS 83.510 to 83.680 and 83.820 to 83.895, in addition to the finance charge.

(b) The amount to be disclosed as the finance charge and used as the finance charge component of the other amounts disclosed pursuant to ORS 83.510 to 83.680 and 83.820 to 83.895 shall be the amount of the finance charge to be paid assuming all payments are made exactly as agreed.

(c) The retail installment contract for the sale of a mobile home may provide that the holder may refuse to accept prepayments of less than the entire amount owed under the retail installment contract if the prepayments:

(A) Are tendered on dates other than a specified date each month; and

(B) Are not in amounts equal to the principal portion of one or more of the earliest unmaturing monthly installments.

(d) The contract shall contain the following notice in printing or writing of a size equal to at least 10-point bold type, in lieu of the notice required by ORS 83.520 (2)(c):

NOTICE TO THE BUYER

Do not sign this contract before you read it or if it contains any blank space, except that:

(1) If delivery of the motor vehicle or mobile home is to be made to you after this contract is signed, the serial number or other identifying information and the due date of the first installment may be filled in at the time of delivery; and

(2) If the name of the financing agency is not known at the time the contract is executed, the name of the financing agency may be inserted in the contract on or about the date the name of the financing agency is known.

You are entitled to a copy of this contract.

You have the right to pay in advance the full amount due and if you do so you may save a portion of the finance charge.

(e) The refund credit provisions of ORS 83.620 shall not apply.

SECTION 9. ORS 83.580 is amended to read:

83.580. (1) The amount, if any, included for automobile insurance, shall not exceed the premiums chargeable in accordance with rate filings made by the insurer with the Director of the Department of Consumer and Business Services for such insurance.

(2) The amount, if any, included for life, health and accident or other insurance, other than automobile insurance, shall not exceed the premiums charged by the insurer.

(3) Except as provided in ORS 743.377, the [seller] **motor vehicle dealer** or financing agency, if an amount for automobile or other insurance on the motor vehicle is included in a retail installment contract, shall within 30 days after execution of the retail installment contract send or cause to be sent to the buyer a policy or policies or certificate of insurance, written by an insurance company authorized to do business in this state, clearly setting forth the amount of the premium, the kind or kinds of insurance and the scope of the coverage and all the terms, exceptions, limitations, restrictions and conditions of the contract or contracts of insurance. The buyer of a motor vehicle under a retail installment contract shall have the privilege of purchasing such insurance from an agent of the selection of the buyer and of selecting an insurance company acceptable to the [seller] **motor vehicle dealer**; provided, however, that the inclusion of the insurance premium in the retail installment contract when the buyer selects the agent or company, shall be optional with the [seller] **motor vehicle dealer** and in such case the [seller] **motor vehicle dealer** or financing agency shall have no obligation to send, or cause to be sent, to the buyer the policy or certificate of insurance.

(4) If an insurance policy or certificate that was obtained for an amount included in the retail installment contract is canceled, the unearned insurance premium refund received by the holder of the contract shall be credited to the last maturing installments of the retail installment contract except to the extent applied toward payment for similar insurance protecting the interests of the buyer or of the buyer and the holder of the contract.

SECTION 10. ORS 83.620 is amended to read:

83.620. (1) Notwithstanding the provisions of a retail installment contract to the contrary, the buyer may pay in full at any time before maturity the obligation contained in the retail installment contract. Upon the premature payment, the buyer shall receive a refund credit. The amount of the refund credit shall not be less than the total finance charge to maturity provided for in the contract, less the greater of:

(a) Ten percent of the amount financed or \$75, whichever is less; or

(b) Either of the following, at the discretion of the [seller] **motor vehicle dealer** or holder:

(A) The finance charge earned to the date of prepayment, computed by applying the effective rate on the contract to the actual principal balances outstanding, for the periods of time such balances were actually outstanding. In determining the effective rate, the holder may apply to the scheduled payments the actuarial method by which each scheduled payment is applied first to the accrued and unpaid finance charges and any amount remaining is applied to the reduction of the principal balance.

(B) The finance charge earned to the installment due date nearest the date of prepayment, computed by applying the effective rate on the contract to the actual principal balances outstanding, for the periods of time the balances were actually outstanding. For purposes of rebate computations under this subparagraph, the installment due date preceding the date of prepayment shall be considered to be nearest if prepayment occurs 15 days or less after that installment date. If prepayment occurs more than 15 days after the preceding installment due date, the next succeeding installment due date shall be considered to be nearest to the date of prepayment. In determining the effective rate, the holder may apply to the scheduled payments the actuarial method, by which each scheduled payment is applied first to the accrued and unpaid finance charges and any amount remaining is applied to reduction of the principal balance.

(2) When the amount of the credit for premature payment is less than \$2, no refund need be made.

(3) This section does not prohibit the holder of a retail installment contract from collecting any charge, cost or fee under ORS 83.590.

SECTION 11. ORS 83.650 is amended to read:

83.650. (1) No retail installment contract shall require or entail the execution, by the buyer, of any note or series of notes, which when separately negotiated will cut off as against third parties any right of action or defense which the buyer may have against the [seller] **motor vehicle dealer**.

(2) The rights of a holder in due course of any negotiable instrument executed contrary to subsection (1) of this section are not impaired by reason of the violation of subsection (1) of this section, but the buyer may bring an action against the [seller] **motor vehicle dealer** for the recovery of any loss or expense incurred by reason of the violation of subsection (1) of this section. The buyer's action may be joined with any other right of action the buyer has against the [seller] **motor vehicle dealer** arising out of the installment sale. The court may award reasonable attorney fees to the prevailing party in an action under this section.

SECTION 12. ORS 83.670 is amended to read:

83.670. (1) No provision in a retail installment contract for confession of judgment, power of attorney therefor, or wage assignment is enforceable.

(2) No provision in a retail installment contract [which] **that** authorizes a [seller] **motor vehicle dealer** or holder of the contract or other person acting on the behalf of the [seller] **motor vehicle dealer** or holder to enter upon the buyer's premises unlawfully, or to commit any breach of the peace in the repossession of a motor vehicle is enforceable.

(3) No provision in a retail installment contract by which the buyer waives any right of action against the [seller] **motor vehicle dealer** or holder of the contract, or other person acting on the behalf of the [seller] **motor vehicle dealer** or holder, for any illegal act committed in the collection of payments under the contract or in the repossession of the motor vehicle is enforceable.

(4) No provision in a retail installment contract by which the buyer executes a power of attorney appointing the [seller] **motor vehicle dealer** or holder of the contract, or other person acting on the behalf of the [seller] **motor vehicle dealer** or holder, as the buyer's agent in collection of payments under the contract or in the repossession of the motor vehicle, is enforceable.

(5) No provision in a retail installment contract relieving the [seller] **motor vehicle dealer** from liability for any legal remedies [which] **that** the buyer may have had against the [seller] **motor vehicle dealer** under the contract, or any separate instrument executed in connection therewith, is enforceable.

SECTION 13. ORS 83.811 is amended to read:

83.811. (1) The disclosure provisions of ORS 83.010 to 83.680[, 83.820] and 83.990 shall not apply to any **motor vehicle dealer or** retail seller entering into a retail installment transaction when:

(a) The **motor vehicle dealer or** retail seller regularly enters into retail installment transactions; and

(b) The terms of the retail installment transaction provide for payment of a service charge or finance charge or for payment by written agreement in more than four installments.

(2) A **motor vehicle dealer or** retail seller regularly enters into retail installment transactions only if the **motor vehicle dealer or** retail seller entered into retail installment transactions more than 25 times in the preceding calendar year, or more than five times in the preceding calendar year for retail installment transactions secured by a dwelling. If a **motor vehicle dealer or** retail seller does not meet these numerical standards in the preceding calendar year, the numerical standards shall be applied to the current calendar year.

SECTION 14. ORS 83.813 is amended to read:

83.813. (1) The disclosure provisions of ORS 83.010 to 83.680[, 83.820] and 83.990 shall not apply to the assignee of any retail installment contract when:

(a) The assignor is a **motor vehicle dealer or** retail seller;

(b) The assignee regularly extends credit to natural persons primarily for personal, family or household purposes;

(c) The credit is subject to a service charge or finance charge or is payable by a written agreement in more than four installments; and

(d) The retail installment contract is in the form regularly used by the assignee in similar transactions.

(2) The assignee of a **motor vehicle dealer** or retail seller regularly extends credit to natural persons primarily for personal, family or household purposes only if the assignee extended credit more than 25 times in the preceding calendar year or more than five times in the preceding calendar year for transactions secured by a dwelling. If the assignee does not meet these numerical standards in the preceding calendar year, the numerical standards shall be applied to the current calendar year.

SECTION 15. ORS 83.875 is amended to read:

83.875. As used in ORS 83.875, 83.880, 83.890 and 83.895:

(1) "Goods" has the meaning for that term provided in ORS 83.010.

[(2) "Services" has the meaning for that term provided in ORS 83.010.]

[(3)] **(2)** "Motor vehicles" means a motor vehicle as defined in ORS 83.510, purchased primarily for personal, family or household purposes and not primarily for business or commercial purposes.

[(4)] **(3)** "Retail charge agreement" has the meaning for that term provided by ORS 83.010, and includes a revolving charge agreement or charge agreement.

[(5)] **(4)** "Retail installment contract" or "contract" means a retail installment contract for the sale of motor vehicles, goods or services.

(5) "Seller" includes a motor vehicle dealer as defined in ORS 83.510.

(6) "Services" has the meaning given that term in ORS 83.010.

SECTION 16. The amendments to ORS 83.510, 83.520, 83.540, 83.560, 83.565, 83.580, 83.620, 83.650, 83.670, 83.811, 83.813, 83.820, 83.850, 83.860 and 83.875 by sections 1 to 15 of this 2001 Act apply to retail lease agreements entered into on or after the effective date of this 2001 Act.

Passed by House February 21, 2001

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Chief Clerk of House

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Speaker of House

Passed by Senate March 28, 2001

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President of Senate

Received by Governor:

.....M.,....., 2001

Approved:

.....M.,....., 2001

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Governor

Filed in Office of Secretary of State:

.....M.,....., 2001

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Secretary of State