

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

## **An Act To Clarify the Contracts Used for Automobile Sales**

**Be it enacted by the People of the State of Maine as follows:**

**Sec. 1. 10 MRSA §1194, sub-§2** is enacted to read:

**2. Summary of costs; buyer acknowledgment.** A dealer shall present to the buyer a concise and plain language summary in writing explaining each cost item to be incurred by the buyer, as well as the total of all cost items, before selling the buyer a new or used motor vehicle. Cost items that must be summarized include, but are not limited to, the vehicle purchase price, each charge, tax and fee pertinent to the sales agreement and, if the sale involves a financing agreement with or facilitated by the dealer, all interest and other financing costs to be paid. The summary of the total of all cost items must include, but is not limited to, the total cost over the term of a financing agreement with or facilitated by the dealer. Each of these summaries must be acknowledged by the buyer with the buyer's signature, or with the buyer's initials, immediately below the summary.

Any sales agreement, or financing agreement with or facilitated by the dealer, for which the dealer fails to provide these cost summaries and to receive proper acknowledgment from the buyer pursuant to this subsection is void, and the buyer is entitled to a reimbursement from the dealer of all costs paid pursuant to that sales agreement or financing agreement. This subsection does not preclude any remedies available to a buyer under Title 5, chapter 10 or Title 9-A, Article 8-A or any other remedies otherwise available to the buyer at law or equity.

### **SUMMARY**

This bill requires a motor vehicle dealer to provide a buyer with a plain language written summary explaining each cost item in an agreement for the sale of a motor vehicle, including, but not limited to, the vehicle purchase price, each charge, tax and fee pertinent to the agreement and all interest and other financing costs to be paid pursuant to a financing agreement with or facilitated by the dealer. The dealer must also provide a summary of the total of all costs, including the total cost over the life of a financing agreement with or facilitated by the dealer. If the dealer fails to provide these summaries and to obtain the buyer's written acknowledgment, the agreement is void and the buyer may recover from the dealer all costs paid pursuant to the agreement.