

MOTOR VEHICLE TIME SALES

Introduction & Overview

Chapter 365 is the Motor Vehicle Time Sales Act. Regulations to Motor Vehicle Time Sales are found in 20 CSR 1140-4.020.

Motor Vehicle Time Sales accounts are dealer originated and typically purchased by a bank or licensed lender such as GMAC, Ford Motor Credit, etc. Motor Vehicle Time Sales accounts could also be owned by the originating dealer as in a “buy here pay here” operation. It is important to note that dealers who finance their own inventory are not required to be licensed; however, they must comply with the statutes and regulations.

Prior to August 28, 2005, Motor Vehicle Time Sales statutes and regulations only pertain to motor vehicles having a cash sale price of \$7,500.00 or less. The act was originally written in 1963 when \$7,500.00 was an expensive vehicle. Effective August 28, 2005, Chapter 365 and all the accompanying regulations apply to all Motor Vehicle Time Sales contracts.

The following is a quick reference guide for each section of chapter 365 and the various related regulations.

365.010	Cites the chapter as the Missouri Motor Vehicle Time Sales Law.
365.020	Defines the terms used in the chapter.
365.030	Requires any person who purchases Motor Vehicle Time Sales contracts to be licensed, details the application process, and requires the license to be conspicuously displayed.
365.040	Allows the commissioner to deny, suspend, or revoke a license subject to the requirement of a hearing.
365.050	Allows the commissioner to examine any financing institution and to investigate complaints.
365.060	Allows the commissioner to draft rules and regulations, issue subpoenas, and provides enforcement authority.
365.070	Establishes requirements for the contents of a Motor Vehicle Time Sales contract, requires a notice to the buyer, and requires a copy of the contract be provided to the buyer.
365.080	Permits the sale of credit insurance on Motor Vehicle Time Sales contracts within certain guidelines and authorizes the sale of other related products.
365.090	Allows the buyer to transfer their equity in the motor vehicle to another person upon agreement of the holder of the contract. A transfer of equity fee of up to \$15.00 is allowed.
365.100	Defines the permissible charges and fees.
365.110	Prohibits blank spaces in a retail contract and requires a signed acknowledgement that none existed.
365.120	Permits interest at a rate agreed to by the parties. Permits a minimum finance charge of \$25.00.
365.125	Rescinded August 28, 2003.
365.130	Makes contracts assignable and negotiable by the holder. Describes how contracts may be amended, renewed or deferred.
365.140	Requires the actuarial method for refund calculations. Requires the holder to cancel any insurance obviated by prepayment.

365.145	Requires consumer protection provisions found in 408.551 to 408.562 for certain motor vehicle contracts.
365.150	Provides penalties for violation of the act.
365.160	Makes any waiver of the provisions of the chapter unenforceable.
365.200	Permits the seller to include a prior loan or lease balance of a trade-in as part of the motor vehicle contract.

The Following Regulations Pertain to Motor Vehicle Time Sales	
20 CSR 1140-4.020 (1)	Establishes minimum record keeping requirements.
20 CSR 1140-4.020 (2)	Requires the licensee to maintain a cash journal.
20 CSR 1140-4.020 (3)	Requires the licensee to maintain a general ledger.
20 CSR 1140-4.020 (4)	Requires the licensee to maintain an individual ledger.
20 CSR 1140-4.020 (5)	Requires the licensee to maintain an alphabetical index.
20 CSR 1140-4.020 (6)	Requires each motor vehicle time sales contract and retail charge agreement to have an account number.
20 CSR 1140-4.020 (7)	Establishes certain record maintenance requirements and permits examiner access to records.
20 CSR 1140-4.020 (8)	Prohibits erasures on individual ledgers.
20 CSR 1140-4.020 (9)	Establishes a record retention requirement.
20 CSR 1140-4.020 (10)	Requires paid contracts to be returned to the buyer.
20 CSR 1140-4.020 (11)	Requires certain ledger information for contracts paid in full before maturity.
20 CSR 1140-4.020 (12)	Requires the licensee to maintain a death claim file containing certain information. Refer to the Credit Insurance chapter for details.
20 CSR 1140-4.030 (1)	Establishes guidelines for required licensing.
20 CSR 1140-4.040 (1)	Establishes the formula for calculating extension fees on pre-computed motor vehicle time sales contracts.

The following is a cross-reference guide to some of the more fundamental sections.

Additional Charges & Fees	365.100
Credit Insurance	365.080
Definitions	365.020
Examination Authority	365.050
Finance Charge	365.120
License Display	365.030-4
Notice to The Buyer	365.070-2
Refunds	365.140