

HOUSE BILL No. 4984

June 26, 1997, Introduced by Reps. Freeman and Gubow and referred to the Committee on Consumer Protection.

A bill to amend 1971 PA 227, entitled
"An act to prescribe the rights and duties of parties to home solicitation sales,"
by amending section 3 (MCL 445.113).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3. (1) ~~In~~ UNLESS THE BUYER IN a home solicitation
2 sale ~~, unless the buyer~~ requests THAT the seller ~~to~~ provide
3 goods or services without delay in an emergency, the seller shall
4 present to the buyer and obtain the buyer's signature ~~to~~ ON a
5 written agreement or offer to purchase ~~which~~ THAT SPECIFIES THE
6 TERMS OF THE TRANSACTION AND designates as the date of the trans-
7 action the date on which the buyer actually signs.

8 The agreement or offer to purchase shall contain a statement
9 substantially as follows in immediate proximity to the space

1 reserved in the agreement or offer to purchase for the signature
2 of the buyer:

3 "You, the buyer, may cancel this transaction at any time
4 prior to midnight of the third business day after the date of
5 this transaction. See the attached notice of cancellation form
6 for an explanation of this right."

7 (2) The seller shall attach to the copy or cause to be
8 printed on the reverse side of the written agreement or offer to
9 purchase retained by the buyer a notice of cancellation in dupli-
10 cate which shall appear as follows:

11

12 "notice of cancellation

13 _____ (enter date of transaction)

14 (date)

15 You may cancel this transaction, without any penalty or
16 obligation, within 3 business days from the above date.

17 If you cancel, any property traded in, any payments made by
18 you under the contract or sale, and any negotiable instrument
19 executed by you will be returned within 10 business days follow-
20 ing receipt by the seller of your cancellation notice, and any
21 security interest arising out of the transaction will be
22 canceled.

23 If you cancel, you must make available to the seller at your
24 residence, in substantially as good condition as when received,
25 any goods delivered to you under this contract or sale; or you
26 may if you wish, comply with the instructions of the seller
27 regarding the return shipment of the goods at the seller's
28 expense and risk.

1 If you do make the goods available to the seller and the
 2 seller does not pick them up within 20 days of the date of your
 3 notice of cancellation, you may retain or dispose of the goods
 4 without any further obligation. If you fail to make the goods
 5 available to the seller or if you agree to return the goods to
 6 the seller and fail to do so, then you remain liable for per-
 7 formance of all obligations under the contract.

8 To cancel this transaction, mail or deliver a signed and
 9 dated copy of this cancellation notice or any other written
 10 notice, or send a telegram to (name of seller), at (address of
 11 seller's place of business) not later than midnight on

12

13 _____
 14 (date)
 15 I hereby cancel this transaction.

16 _____
 17 (date)

18 _____
 19 (buyer's signature) "

20 (3) The notices required by this section shall be in not
 21 less than 10-point bold type and shall be 2 points larger than
 22 the text of the contract. A written agreement or offer to pur-
 23 chase and the notice of cancellation attached to the agreement or
 24 offer shall be written in the same language as that used in any
 25 oral presentation ~~which~~ THAT was given to facilitate sale of
 26 the goods or services. The seller shall enter on the blanks in
 27 the notice of cancellation the date of transaction, which is the
 28 date the buyer signs the written agreement, and the date for
 29 mailing the notice of cancellation. An error in entering this
 30 information ~~shall~~ DOES not diminish the buyer's rights under
 31 this act.

1 (4) THIS SECTION APPLIES TO ANY HOME SOLICITATION SALE,
2 INCLUDING A HOME SOLICITATION SALE THAT THE SELLER OR BUYER INI-
3 TIATES BY TELEPHONE.

4 (5) ~~—(4)—~~ Until the seller has complied with this section,
5 the buyer may cancel the home solicitation sale by notifying the
6 seller in any manner and by any means of his or her intention to
7 cancel.