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Senate Fiscal Agency  
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**SFA****BILL ANALYSIS**

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House Bill 4318 (as reported without amendment)

Sponsor: Representative Alan Sanborn

House Committee: Insurance and Financial Services

Senate Committee: Economic Development, International Trade and Regulatory Affairs

## **CONTENT**

The bill would amend Public Act 227 of 1971, which prescribes the rights and duties of parties to home solicitation sales, to revise the Act's treatment of postcards and other mailings; and to provide that goods or services subject to the Act would not include certain financial transactions. Currently, "home solicitations sale" is defined as "a sale of goods or services of more than \$25.00 in which the seller or a person acting for the seller engages in a personal, written, or telephonic solicitation of the sale at a residence of the buyer, and the buyer's agreement or offer to purchase is there given to the seller or a person acting for the seller".

The Act specifies that "home solicitation sale" includes a sale arising from a postcard or other written notice delivered to a buyer's residence that requests that the buyer contact the seller or seller's agent by phone to inquire about goods or a service, unless a postcard or written notice concerns a previous purchase or order, or specifies the price of the goods or service and accurately describes the goods or service. The bill would delete this provision but would define "written solicitation" as such a postcard or other written notice delivered to the buyer's residence.

The bill also specifies that "home solicitation sale" would not include a sale made at a fixed location of a business establishment where goods or services were offered or exhibited for sale. In addition, the term would not include a solicitation (or a sale, as currently provided) of insurance by a licensed insurance agent.

The bill provides that "goods or services" would not include a loan, deposit account, or trust account lawfully offered or provided by a Federally insured depository institution or a subsidiary or affiliate of one; or an extension of credit that was subject to the Mortgage Brokers, Lenders, and Servicers Licensing Act, the Secondary Mortgage Loan Act, the Regulatory Loan Act, the Consumer Financial Services Act, Public Act 379 of 1984 (which regulates credit card transactions), or the Motor Vehicle Sales Finance Act. "Federally insured depository institution" would mean a State or national bank, State or Federal savings bank, State or Federal savings and loan association, or State or Federal credit union that held deposits insured by an agency of the United States.

MCL 445.111

Legislative Analyst: N. Nagata

## **FISCAL IMPACT**

The bill would have no fiscal impact on State or local government.

Date Completed: 4-13-99

Fiscal Analyst: M. Tyszkiewicz