

# Legislative Analysis

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## MOTOR VEHICLE INSTALLMENT CONTRACTS

Phone: (517) 373-8080  
<http://www.house.mi.gov/hfa>

**House Bill 5460 as introduced**  
**Sponsor: Rep. Alabas Farhat**  
**Committee: Regulatory Reform**  
**Complete to 4-22-24**

Analysis available at  
<http://www.legislature.mi.gov>

### SUMMARY:

House Bill 5460 would amend the Motor Vehicle Sales Finance Act to specify that the act does not prohibit installment sales contracts that require payments in unequal amounts.

In addition, the act currently provides that if an installment sale contract provides for a series of weekly, semi-monthly, or monthly payments, in substantially equal periods, followed by a single larger payment that satisfies the unpaid balance, the buyer has an option to make the larger payment or enter into a second contract at the time of the larger payment. The bill would provide that this option is only guaranteed if the larger payment is more than double the average of the earlier scheduled payments.

MCL 492.112

### FISCAL IMPACT:

House Bill 5460 would not have a fiscal impact on any units of state or local government.

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