FIRST REGULAR SESSION

SENATE BILL NO. 248

90TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR MAXWELL.

Read 1st time January 11, 1999, and 1,000 copies ordered printed.

TERRY L. SPIELER, Secretary.

AN ACT

To repeal section 365.140, RSMo 1994, relating to retail installment contracts, and to enact in lieu thereof one new section relating to the same subject.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Section 365.140, RSMo 1994, is repealed and one new section enacted in lieu thereof, to be known as section 365.140, to read as follows:

365.140. **1.** Notwithstanding the provisions of any retail installment contract to the contrary any buyer may prepay in full, whether by payment in cash, extension or renewal, at any time before maturity the debt of any retail installment contract and on so paying the debt shall receive a refund credit thereon for the anticipation of payment. The amount of the refund shall represent at least as great a proportion of the time price differential as the sum of the monthly time balances beginning one month after prepayment is made bears to the sum of all the monthly time balances under the schedule of payment in the contract after deducting from the refund an acquisition cost of fifteen dollars; except that, if the initial term of the contract is greater than sixty-one months, the amount of the time price differential earned shall be computed to the date of prepayment on the basis of the rate originally contracted for on the actual unpaid time balances for the time actually outstanding. Any insurance obviated by reason of prepayment shall be canceled by the holder and any refund of premiums received by the holder shall be treated in accordance with the provisions of subsection 2 of section 365.080. Where the amount of credit is less than one dollar no refund need be made.

2. A retail seller may advance money to prepay a debt owed against a motor vehicle used as a trade-in vehicle and finance repayment of that money in a retail installment contract.

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