

Regular Session, 2010

HOUSE BILL NO. 831

BY REPRESENTATIVE SMILEY

MTR VEHICLE/VIOLATIONS: Provides relative to violations of the La. Motor Vehicle Sales Finance Act

1 AN ACT

2 To enact R.S. 6:969.24.1 and 969.24.2, relative to the Motor Vehicle Sales Finance Act; to  
3 prohibit any entity or person licensed as a lender of consumer credit from  
4 discriminating in the setting of limits for the amount financed for any insurance  
5 coverage, product, or service, other than the vehicle itself, in a retail motor vehicle  
6 purchase; to prohibit any entity or person licensed as a lender of consumer credit in  
7 a motor vehicle retail purchase from requiring a retail motor vehicle dealer to sell  
8 any insurance coverage, service, or product, which is provided, administered, or sold  
9 by the extender of credit or an affiliate, in order to secure preferential financing rates;  
10 and to provide for related matters.

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. R.S. 6:969.24.1 and 969.24.2 are hereby enacted to read as follows:

13 §969.24.1. Financing discrimination prohibited

14 It shall be a violation of this Chapter for any entity or person licensed under  
15 this Chapter to discriminate in the setting of limits for the amount financed in regard  
16 to the financing of premium or other charges for any insurance coverage, product,  
17 or service, other than the vehicle itself, which is financed on the retail installment  
18 contract, when the discrimination in the amount financed limits is based, at least, in  
19 part, upon whether or not the insurance coverage, product, or service is provided by  
20 a person which is owned by, related to, associated with, or controlled by a

1        manufacturer, a distributor, a wholesaler, distributor branch, factory branch,  
2        converter or officer, agent, related financial institution, or other representative of the  
3        manufacturer or distributor of the vehicle.

4        §969.24.2. Mandatory sales prohibited

5                It shall be a violation of this Chapter for any entity or person licensed under  
6        this Chapter to require a retail motor vehicle dealer to sell any insurance coverage,  
7        product, or service, which is provided, administered, or sold by a licensee or an  
8        affiliate, in order to secure preferential financing rates for the dealership or its  
9        customers.

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DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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Smiley

HB No. 831

**Abstract:** Prohibits any entity or person licensed as a lender of consumer credit from discriminating in the setting of limits for the amount financed for any insurance coverage, product, or service, other than the vehicle itself, in a retail motor vehicle purchase. Prohibits any entity or person licensed as a lender of consumer credit in a motor vehicle retail purchase from requiring a retail motor vehicle dealer to sell any insurance coverage, product, or service in order to secure preferential financing rates.

Proposed law prohibits any entity or person licensed as a lender of consumer credit in a motor vehicle retail purchase from discriminating in the setting of limits for the amount financed in regard to the financing of premium or other charges for any insurance coverage, product, or service, other than the vehicle itself, which is financed on the retail installment contract, when the discrimination in the amount financed limits is based, at least, in part, upon whether or not the insurance coverage, product, or service is provided by a person which is owned by, related to, associated with, or controlled by a manufacturer, a distributor, a wholesaler, distributor branch, factory branch, converter or officer, agent, related financial institution, or other representative of the manufacturer or distributor of the vehicle.

Proposed law prohibits any entity or person licensed as a lender of consumer credit in a motor vehicle retail purchase from requiring a retail motor vehicle dealer to sell any insurance coverage, product, or service, which is provided, administered, or sold by the extender of credit or an affiliate, in order to secure preferential financing rates for the dealership or its customers.

(Adds R.S. 6:969.24.1 and 969.24.2)