

17:16C-62

LEGISLATIVE FACT SHEET

ON *Retail Installment Sales, Definitions*

N.J.S.A. 17:16C-62

(1966 Amendment)

LAWS OF 1966

CHAPTER 325

SENATE

ASSEMBLY 319

INTRODUCED *Feb. 7*

BY *Dickey*

STATEMENT

YES NO

AMENDED DURING PASSAGE

YES *OCR* NO

HEARING *No*

VETO *No*

STATEMENT

The purpose of this bill is to make refunds payable upon prepayment of home repair contracts dependent upon the number of installment payment-periods, as defined in the bill, which have elapsed from the date of the contract to the date when prepayment is made. The bill makes the Home Repair Financing Act consistent with the prepayment refund provision of The Banking Act of 1948, and consistent also with a companion bill, introduced with this bill, to make a similar change in the Retail Installment Sales Act (P. L. 1960, c. 40). The bill also provides that credit life and credit accident and health insurance may be financed as part of the balance owing on a home repair contract.

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*JRM 10/9/75*  
7-22-68 L3/RSL

ASSEMBLY, No. 319

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 7, 1966

By Assemblymen DICKEY, BIBER, Assemblywoman KORDJA,

Assemblymen YESKO and SKEVIN

Referred to Committee on Business Affairs

AN ACT to amend "An act to define and regulate installment sales of goods and services used or furnished in the modernization, rehabilitation, repair, alteration or improvement of real property, and to provide for licensing of home improvement contractors and home financing agencies and providing penalties for violations," approved June 9, 1960 (P. L. 1960, c. 41).

1 BE IT ENACTED *by the Senate and General Assembly of the State of New*  
2 *Jersey:*

1 1. Section 1 of the act of which this act is amendatory is amended to  
2 read as follows:

3 1. Unless the context otherwise indicates,

4 (a) "Goods" means all chattels personal which are furnished or used  
5 in the modernization, rehabilitation, repair, alteration or improvement of  
6 real property except those furnished or used for a commercial or business  
7 purpose or for resale, and except stoves, freezers, refrigerators, air condi-  
8 tioners other than those connected with a central heating system, hot water  
9 heaters and other appliances furnished for use in a home and designed to  
10 be removable therefrom without material injury to the structure, and except  
11 chattels personal under a contract in which the cash price is \$300.00 or less  
12 and which is subject to the Retail Installment Sales Act of 1960 ~~[ ]~~;

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

13 (b) "Services" means labor, equipment and facilities furnished or used  
14 in connection with the installation or application of goods in the moderniza-  
15 tion, rehabilitation, repair, alteration or improvement of real property;

16 (c) "Home repair contract" means an agreement, whether contained in  
17 one or more documents, between a home repair contractor and an owner to  
18 pay the time sales price of goods and related services in installments over a  
19 period of time greater than 3 months;

20 (d) "Home repair contractor" means any person engaged in the busi-  
21 ness of selling goods and related services pursuant to a home repair contract;

22 (e) "Commissioner" means the Commissioner of Banking and Insur-  
23 ance of New Jersey and includes any deputies or employees of the depart-  
24 ment designated by him to administer and enforce this act;

25 (f) "Official fees" means the fees to be paid to a public officer for  
26 obtaining any permit or filing any lien or mortgage taken or reserved as  
27 security pursuant to a home repair contract;

28 (g) "Cash price" means the cash sales price for which the home repair  
29 contractor would sell the goods and services which are the subject matter of  
30 a home repair contract if the sale were a sale for cash rather than an install-  
31 ment sale;

32 (h) "Down payment" means all payments made in cash to the home  
33 repair contractor and all allowances given by the home repair contractor to  
34 the owner prior to or substantially contemporaneous with the execution of  
35 the home repair contract;

36 (i) "Credit service charge" means that amount by which the time sales  
37 price exceeds the aggregate of the cash price and the amounts specifically in-  
38 cluded for official fees[;] *and, if a separate charge is made therefor, the*  
38A *amount included for insurance and other benefits as provided in section*  
38B *6 (d);*

39 (j) "Time sales price" means the total amount to be paid pursuant to  
40 the contract excluding default charges authorized under this act;

41 (k) "Owner" means a person who buys goods or services pursuant to a  
42 home repair contract;

43 (l) "Home financing agency" means and includes any person, other than  
 44 a home repair contractor, engaged, directly or indirectly, in the business of  
 45 purchasing, acquiring, soliciting or arranging for the acquisition of home  
 46 repair contracts or any obligation in connection therewith by purchase, dis-  
 47 count, pledge or otherwise; **[and]**

48 (m) "Holder" means any person who is entitled to the rights of a home  
 49 repair contractor under a home repair contract**[.]**;

50 (n) "*Payment-period*" means the period of time scheduled by a home  
 51 repair contract to elapse between the days upon which installment payments  
 52 are scheduled to be made on such contract; except that, where installment  
 53 payments are scheduled *\*by the home repair contract\* to be omitted\**, **[pur-**  
 54 *suant to section 7,]* "*payment-period*" means the period of time scheduled  
 55 by the contract to elapse between the days upon which installment payments  
 56 are scheduled to be made during that portion of the contract period in which  
 57 no installment payment is scheduled to be omitted; and

58 (o) "*Contract period*" means the period beginning on the date of a  
 59 home repair contract and ending on the date scheduled by the contract for the  
 60 payment of the final installment.

1 2. Section 6 of the act of which this act is amendatory is amended to read  
 2 as follows:

3 6. Every home repair contract shall state separately:

4 (a) the cash price of the goods and services to be furnished;

5 (b) the down payment;

6 (c) the unpaid cash balance which is the difference between subsections  
 7 (a) and (b);

8 (d) the amount, if any, if a separate charge is made therefor, included for  
 9 credit life insurance and other benefits pursuant to chapter 169 of the laws  
 10 of 1958, specifying the coverages and benefits;

11 **[(d)]** (e) the official fees;

12 **[(e)]** (f) the principal balance, which is the sum of subsections (c)

13 **[and]**, (d) and (e);

14     **[(f)]** (g) the credit service charge;

15     **[(g)]** (h) the time balance, which is the sum of subsections **[(e) and]**  
16 (f) *and* (g), the number of installments required, the amount of each install-  
17 ment and the due dates thereof.

1     3. Section 7 of the act of which this act is amendatory is amended to  
2 read as follows:

3     7. Every home repair contract shall provide for the payment of the time  
4 balance **[at substantially equal intervals of time and]** in substantially equal  
5 **[amounts]** *installments on dates separated by substantially equal payment-*  
6 *periods.* When appropriate for the purpose of facilitating payment, the  
7 contract may provide for payments on a schedule which reduces or omits  
8 payments over a period or periods not in excess of 93 days in any 12-month  
9 period.

1     4. Section 12 of the act of which this act is amendatory is amended to  
2 read as follows:

3     12. **[Any owner may satisfy in full at any time before maturity the**  
4 **amount of any balance to become due on any home repair contract and in**  
5 **so satisfying such debt shall receive a refund credit thereon for such**  
6 **anticipation of payments. The amount of such refund shall represent at least**  
7 **as great a proportion of the credit service charge, less an acquisition cost**  
8 **of \$15.00, as the sum of the periodical time balances scheduled by the con-**  
9 **tract to follow the installment date after the date of prepayment bears to the**  
10 **sum of all the periodical time balances under the scheduled payments in the**  
11 **original contract. Where the amount of the credit for anticipation of pay-**  
12 **ments is less than \$1.00, no refund need be made.]** *When the unpaid balance*  
13 *owing on a home repair contract is repaid in full at any time before the end*  
14 *of the contract period, the holder of the contract shall allow a credit on*  
15 *account of the credit service charge, the amount of which shall be determined*  
16 *by the application of the formula  $C = AN \div D$ , in which "C" represents*  
17 *the amount of the credit to be given; "A" represents the amount of the*  
18 *credit service charge, less an acquisition cost of \$15.00; "D" represents an*

19 amount determined as follows: there shall be ascribed to each payment-  
20 period included in the contract period, beginning with the first payment-  
21 period scheduled by the contract, the cardinal number descriptive of the  
22 number of payment-periods scheduled by the contract to elapse from the  
23 beginning of each such payment-period to the end of the contract period, and  
24 the sum of all such cardinal numbers shall constitute the quantity "D"; and  
25 "N" represents the difference between the quantity "D" and the sum of all  
26 the cardinal numbers ascribed to the payment-periods which have elapsed, in  
27 whole or in part, from the date of the contract to the date upon which such  
28 repayment is made. This section shall not apply when the amount of the  
29 credit is less than \$1.00.

1     5. This act shall take effect immediately.