§ 2983.1 *Enforceability of contract; violation of provisions relating to prepayment, refinancing, or refund of finance charge; election to enforce or rescind*

If the seller or holder of a conditional sale contract, except as the result of an accidental or bona fide error of computation, violates any provision of subdivision (d) of Section 2982, the buyer may recover from such person three times the amount of any finance charge paid to that person.

If a holder acquires a conditional sale contract without actual knowledge of the violation by the seller of subdivisions (a) or (c) of Section 2982, the contract shall be valid and enforceable by such holder except (unless the violation is corrected as provided in Section 2984) the buyer is excused from payment of the unpaid finance charge.

If a holder acquires a conditional sale contract with knowledge of such violation of subdivisions (a) or (c) of Section 2982, the conditional sale contract shall not be enforceable except by a bona fide purchaser, assignee or pledgee for value or unless the violation is corrected as provided in Section 2984, and if the violation is not corrected the buyer may recover from the person to whom payment was made the amounts specified in Section 2983.

When a conditional sale contract is not enforceable under Sections 2983 or 2983.1, the buyer may elect to retain the motor vehicle and continue the contract in force or may, with reasonable diligence, elect to rescind the contract and return the motor vehicle. The value of the motor vehicle so returned shall be credited as restitution by the buyer without any decrease which results from the passage of time in the cash price of the motor vehicle as such price appears on the conditional sale contract. (Added Stats. 1961, c. 1626, p. 3538, § 4, effective Jan. 1, 1962.)

§ 2983.2 *Notice of intent to sell repossessed motor vehicles; form; prerequisite to liability for delinquency*

Any provision in any conditional sale contract for the sale of a motor vehicle to the contrary notwithstanding, at least five days' written notice of intent to sell a repossessed motor vehicle must be given to all persons liable on the contract. The notice shall be given in person or shall be sent by mail directed to the address of the persons shown on the contract, unless such persons have notified the holder in writing of a different address. The notice shall set forth that there is a right to redeem the motor vehicle and the total amount required as of the date of the notice to redeem; may inform such persons of their privilege of reinstatement of the contract, if the holder extends such privilege; shall give notice of the holder's intent to resell the motor vehicle at the expiration of five days from the date of giving or mailing the notice, or if given by mail and either the place of deposit in the mail or the place of address is outside of this state, the period of notice shall be 10 days instead of five days; shall disclose the place at which the motor vehicle will be returned to the buyer upon redemption or reinstatement; and shall designate the name and address of the person to whom payment shall be made. During the period provided under said notice, the person or persons liable on the contract may pay in full the indebtedness evidenced by the contract. Such persons shall be liable for any deficiency after sale of the repossessed motor vehicle only if the notice prescribed by this section is given within 60 days of repossession and includes the following:

1. A notice, in at least eight-point bold type if the notice is printed, reading as follows: "Notice: You are subject to suit and liability if the amount obtained upon sale of the vehicle is insufficient to pay the contract balance and any other amounts due."

2. An itemization of the contract balance and of any delinquency, collection or repossession costs and fees. In addition, the notice shall either set forth the computation or estimate of the amount of any credit for unearned finance charges or canceled insurance as of the date or the notice or shall state that such a credit may be available against the amount due. (Added Stats. 1961, c. 1626, p. 3538, § 4, as amended Stats. 1965, c. 804, p. 2400, § 1.)

Section 2 of Stats. 1965, c. 804, p. 2400, provided: "Section 2983.2, as amended in the 1965 Regular Session of the Legislature shall be operative on March 15, 1966, however, a notice given prior thereto pursuant to its provisions shall be effective in all respects."