

§ 2983. *Default as prerequisite to repossession or acceleration of maturity*

In the absence of default by the buyer in the performance of any of his obligations under the contract, the holder may not accelerate the maturity of any part or all of the amount owing thereunder or repossess the motor vehicle. (Added Stats. 1961, c. 1626, p. 3539, § 4, effective Jan. 1, 1962.)

§ 2983.4 *Prevailing party's right to attorney's fees and costs*

Reasonable attorney's fees and costs shall be awarded to the prevailing party in any action on a conditional sale contract subject to the provisions of this chapter regardless of whether the action is instituted by the seller, holder or buyer. Where the defendant alleges in his answer that he tendered to the plaintiff the full amount to which he was entitled, and thereupon deposits in court, for the plaintiff, the amount so tendered, and the allegation is found to be true, then the defendant is deemed to be a prevailing party within the meaning of this section. (Added Stats. 1961, c. 1626, p. 3539, § 4, effective Jan. 1, 1962.)

§ 2983.5 *Cutting off right of action or defense by assignment; notice of assignment; necessity and form*

No right of action or defense arising out of a conditional sale contract which the buyer has against the seller, and which would be cut off by assignment, shall be cut off by assignment to any third party whether or not he acquires the contract in good faith and for value unless the assignee gives notice of the assignment to the buyer as provided in this section and within 15 days of the mailing of notice receives no written notice of the facts giving rise to the claim or defense of the buyer. A notice of assignment shall be in writing addressed to the buyer at the address shown on the contract and shall identify the contract and inform the buyer that he must, within 15 days of the date of mailing of the notice, notify the assignee in writing of any facts giving rise to a claim or defense which he may have. The notice of assignment shall state the name of the seller and buyer, a description of the motor vehicle, the contract balance and the number and amount of the installments. Nothing contained in this section shall be construed as modifying or restricting rights, equities or defenses afforded under Section 1459 of this code or Section 368 of the Code of Civil Procedure with respect to transactions regulated by this chapter. (Added Stats. 1961, c. 1626, p. 3539, § 4, as amended Stats. 1965, c. 327, p. 1436, § 1.)

§ 2984. *Correction of contract to comply with chapter*

Any failure to comply with any provision of this chapter (commencing with Section 2981) may be corrected by the holder, provided, however, that a willful violation may not be corrected unless it is a violation appearing on the face of the contract and is corrected within 30 days of the execution of the contract or within 20 days of its sale, assignment or pledge, whichever is later, provided that the 20-day period shall commence with the initial sale, assignment or pledge of the contract, and provided that any other violation appearing on the face of the contract may be corrected only within such time periods. A correction which will increase the amount of the contract balance or the amount of any installment as such amounts appear on the conditional sale contract shall not be effective unless the buyer concurs in writing to the correction. If notified in writing by the buyer of such a failure to comply with any provision of this chapter, the correction shall be made within 10 days of notice. Where any provision of a conditional sale contract fails to comply with any provision of this chapter, the correction shall be made by mailing or delivering a corrected copy of the contract to the buyer. Any amount improperly collected by the holder from the buyer shall be credited against the indebtedness evidenced by the contract or returned to the buyer. A violation corrected as provided in this section shall not be the basis of any recovery by the buyer or affect the enforceability of the contract by the holder and shall not be deemed to be a substantive change in the agreement of the parties. (Added Stats. 1961, c. 1626, p. 3539, § 4, as amended Stats. 1963, c. 838, p. 2037, § 1.)

§ 2984.1 *Contract provision regarding insurance coverage*

After July 1, 1966, every conditional sale contract shall contain a statement in contrasting red print in at least eight-point bold type if the contract is printed, which statement shall satisfy the requirements of Section 5604 of the Vehicle Code, as follows:

"Warning—Unless a charge is included in this agreement for public liability or property damage insurance, payment for such coverage is not provided by this agreement."