

ARTICLE 3. PROVISIONS OF RETAIL INSTALLMENT CONTRACTS

Sec.

- 1803.1 Date; writing; size of type.
- 1803.2 Single document; contents.
- 1803.3 Contract; contents.
- 1803.4 Obtaining signature of buyer to contract containing blank spaces.
- 1803.5 Cost of insurance included in contract and separate charge made by buyer.
- 1803.6 Delinquency charges; costs of collection.
- 1803.7 Delivery of copy of completed contract to buyer; acknowledgment of delivery; conclusive presumption.
- 1803.8 Negotiation of sales by mail or telephone.
- 1803.9 Cash sale of \$50 or less [New].

Article 3 added by Stats. 1959, c. 201, p. 2094, § 1, operative Jan. 1, 1960

§1803.1 *Date; writing; size of type*

A retail installment contract shall be dated and in writing; the printed portion thereof shall be in at least eight-point type. (Added Stats. 1959, c. 201, p. 2094, § 1.)

§ 1803.2 *Single document; contents*

Except as provided in Sections 1803.9 and 1808.3, every retail installment contract shall be contained in a single document which shall contain:

(a) The entire agreement of the parties with respect to the cost and terms of payment for the goods and services, including any promissory notes or any other evidences of indebtedness between the parties relating to the transaction, and including any promise, whether made in writing or orally, by the seller, made as an inducement to the buyer to become a party to the contract or which is part of the contract or which is made incidental to negotiations between the seller and the buyer with respect to the sale of the goods or services that are the subject of the contract that the seller will compensate the buyer for referring customers or prospective customers to the seller for goods or services which the seller has for sale or for referring the seller to such customers or prospective customers. In any case in which, pursuant to the preceding provisions, the contract contains a promise to compensate the buyer for referring customers or prospective customers to the seller or the seller to such customers, the contract must contain a provision to the effect that the amount otherwise owing under the contract at any time is reduced by the amount of compensation owing pursuant to such promise.

(b) Either at the top of the contract or directly above the space reserved for the signature of the buyer, the words "Security Agreement" or "Lien Contract," as the case may be, shall appear in at least 10-point bold type where a security interest in the goods is retained or a lien on other goods or realty is obtained by the seller as security for the goods or services purchased. Either at the top of the contract or directly above the space reserved for the signature of the buyer, the words "Retail Installment Contract" shall appear in at least 10-point bold type where security is not obtained by the seller for the goods or services purchased.

(c) A notice in at least eight-point bold type reading as follows: "Notice to the buyer: (1) Do not sign this agreement before you read it or if it contains any blank space. (2) You are entitled to a completely filled-in copy of this agreement. (3) Under the law, you have the right to pay off in advance the full amount due and under certain conditions to obtain a partial refund of the service charge." (Added Stats. 1959, c. 201, p. 2094, § 1, as amended Stats. 1961, c. 1214, p. 2949, § 2; Stats. 1963, c. 819, p. 1998, § 7, effective Jan. 1, 1965; Stats. 1963, c. 1603, p. 3181, § 3.)

Stats. 1963, c. 819, p. 1849, amending this section, enacted the Uniform Commercial Code to become effective January 1, 1965, except as to certain contracts validly entered into before the effective date of the act and to the rights, duties and interests flowing therefrom (Commercial Code §§ 10101, 10102).

The amendment by Stats. 1963, c. 1603, p. 3181, § 3, added the reference to rity agreement" for "conditional sale contract," and deleted former final sentence from subd. (b) which read: "The requirements of this subdivision shall be in addition to any applicable designation required of a chattel mortgage by Civil Code Sections 2956 and 2957."

The amendment by Stats. 1963, c. 1603, p. 3181, § 3, added the reference to Section 1803.9 to the exception in the introductory clause, and incorporated the changes made by Stats. 1963, c. 819, p. 1998, § 7.