TITLE V—PAYMENTS

SEC. 5.101. OPERATION AND EFFECT OF PAYMENT.—Unless the buyer has written notice of actual or intended assignment of a retail installment contract, the buyer may pay or tender any amount due thereunder or give any notice required or permitted by the contract, to the person last known to be entitled to payment or notice under the contract, and such payment, tender, or notice shall be binding upon any subsequent assignee as fully as if made to him.

SEC. 5.102. RECEIPTS; STATEMENT OF ACCOUNT.—

(A) When any payment is made on account of any retail installment contract, the person receiving such payment shall, if the payment is made in cash, give the buyer a complete written receipt therefor. If the buyer specifies that the payment is made on one of several obligations, the receipt shall so state.

(B)(1) Within six months after the execution of a retail installment transaction, including an open-end credit agreement, and within every six-month period thereafter until the buyer has discharged all his obligations under the contract, the seller or assignee, if any, in addition to any other statements or notices required by this Act, shall send to the buyer upon request a statement of account which shall list the following items designated as such:

(a) the amounts paid by or on behalf of the buyer, setting forth any refund and any payment of charges for delinquencies, expenses of repossession and extension, to the date of the statement of account;

(b) the amounts, if any, which have become due but remain unpaid, setting forth any charge for delinquencies, expenses of repossession and extensions; and

(c) the number of installment payments and the dollar amount of each installment not due but still to be paid and the remaining period the agreement is to run.

(2) The buyer shall be entitled to only one such statement in any six-month period free of charge. The sum of $1 may be charged for each additional written statement requested by the buyer before supplying such additional written statement.

(3) If the buyer requests information for income tax purposes as to the amount of the finance charges, the seller or assignee, if any, shall provide such information without charge once in every calendar year.

SEC. 5.103. PAYMENT IN FULL BEFORE MATURITY.—

(A) Notwithstanding the provisions of any retail installment contract to the contrary, a buyer may pay in full at any time before the maturity of the final installment thereof, and thereby shall receive a refund credit and, if the contract included an amount for insurance, a further refund credit for such anticipation, whether or not the maturity of the scheduled payment of the contract was accelerated by reason of a buyer's default.

(B) Except as provided in paragraph (D), the amount of any such refund credit shall be calculated by the so-called sum of the digits method, and shall represent at least as great a proportion of the total amount of the finance charge as the sum of the scheduled periodic balances after the date of prepayment bears to the sum of the scheduled periodic total balances under the schedule of installments in the original or refinanced contract. In the event a contract has been extended and is prepaid in full during an extension period the buyer shall receive, in addition, the refund of that portion of the extension charge applicable to any unexpired months of the extension period.

(C) DETERMINATION OF THE DATE OF PREPAYMENT.—If the prepayment is made before the first installment due date, it shall be deemed to have been made on the first installment due date; thereafter, if the prepayment is made other than on an installment due date it shall be deemed to have been made on the next preceding or next succeeding installment due date, whichever is nearer to the actual date of prepayment.

(D) Where the amount of credit for anticipation of payment is less than $1, no refund need be made.

SEC. 5.104. EXTENSION OF DUE DATE.—

(A) A seller or assignee may by agreement with the buyer extend the due date of all or any part of one or more installments under an existing retail installment contract or refinancing agreement.

(B) Except as provided in paragraph (C) an extension agreement—

(1) shall be in writing and signed by the parties;

(2) shall incorporate by reference the agreement to which the extension agreement applies;