

less and in which there is no service charge.) Sec. 2(7). Thus, the bill covers revolving charge-account transactions (Sec. 2(9)), as well as all other retail installment sales of consumer goods and services entered into in the District of Columbia (except sales of motor vehicles, which are covered by D.C. Code, §§ 40-901 through 910). Sec. 2(6) and 2(3). The bill does *not* cover wholesale transactions, nor does it cover non-consumer goods such as goods required for commercial or business use.

(ii) *Enabling and disclosure type act.*—In the main, the bill is in the form of an enabling act, authorizing the D.C. Commissioners to make detailed regulations relating to installment sales of consumer goods and services. See § 4(a). In turn, the contemplated regulations would be *generally* of the disclosure type, requiring sellers to make full disclosure to buyers. See, *e.g.* §§ 4(a)(1) through (3). The regulations may include provisions, *among others*, (1) requiring a detailed description of the goods or services being sold (§ 6); (2) requiring notice to the buyer of his rights (such as the rights of redemption and of prepayment with partial refund of finance charge) (§ 4(a)(1), (8) and (10)); (3) requiring itemization of finance or service charges, insurance premiums, delinquency charges, filing fees, etc. (§ 4(a)(2)); (4) specifying and/or limiting the types and maximum amounts of insurance (*e.g.*, life, accident and health, casualty, etc.) which may be required at the expense of the buyer (§ 4(a)(4)); (5) requiring that payments be in substantially equal amounts and at regular intervals (§ 4(a)(6)); (6) requiring that the buyer be given a fully executed copy of the contract, with all blank spaces filled in, at the time he signs it (§ 4(a)(1)); and (7) respecting the manner and methods of repossession and foreclosure sale of consumer goods (§ 4(a)(10)).

(iii) *Provisions supplementing or superseding the Uniform Commercial Code.*—Sections 5 through 12 of the bill supplement or supersede certain provisions of the U.C.C., as respects retail installment sales.

*Section 5* limits the circumstances under which acceleration of obligations is permitted. The U.C.C. permits acceleration when the obligee in good faith believes that the prospect of repayment is impaired. D.C. Code, § 28:1-208. Section 5 as now worded would permit acceleration only when—

1. The buyer has failed to make a payment or has otherwise defaulted in performance under the particular contract;
2. The buyer is evading service of process;
3. The buyer has removed or is about to remove his property from the District of Columbia, so as to defeat just demands against him;
4. The buyer has assigned, conveyed, disposed of or secreted his property, or is about to do so, with intent to hinder, delay or defraud his creditors; or
5. The buyer fraudulently contracted the debt.

We recommend that Section 5 be amended so as to broaden somewhat the circumstances under which acceleration is permitted, to allow acceleration in the event of bankruptcy or the commission of an act of bankruptcy. See our Recommendation (c) below, pp. 12-13.

*Section 6* authorizes the making of regulations by the D.C. Commissioners to require a more detailed description of goods or services than is required by the U.C.C., so as to facilitate the buyer's establishing that the goods or services he received were not those he contracted to buy, if such should be the case.

*Section 7* inserts into the District of Columbia U.C.C. a general statement that in case of conflict between its provisions and those of the proposed Retail Installment Sales Act, the provisions of the Retail Installment Sales Act shall control.

*Section 8* provides that consumer goods which are the subject of a retail installment contract shall serve as security only for the obligation arising out of the sale of such goods and related collection and default charges, thus prohibiting before—or after—acquired property clauses.

*Section 9* prohibits the cutting off of defenses as against a holder in due course or assignee, unless a certificate (in a form to be prescribed by the D.C. Commissioners) has been signed by the buyer stating that he has received the goods and they appear to be the goods which he purchased (or, in the case of services, that the services have been completely performed).

*Section 10* requires that the buyer be given a written receipt for every payment made in cash and, upon his written request, a written statement of his account without charge not oftener than once every six months, and otherwise at a charge of one dollar.

*Section 11* provides that if the expenses of repossession and foreclosure exceed the proceeds of the foreclosure sale, the debtor shall not be liable for the resulting