

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

Act 649 of the Regular Session

1 State of Arkansas
2 86th General Assembly
3 Regular Session, 2007
4

As Engrossed: H3/14/07

A Bill

HOUSE BILL 2548

5 By: Representative Rosenbaum
6
7

8 **For An Act To Be Entitled**

9 AN ACT TO PERMIT NEGATIVE EQUITY FINANCING IN THE
10 SALE OF MOTOR VEHICLES; AND FOR OTHER PURPOSES.
11

12 **Subtitle**

13 TO PERMIT NEGATIVE EQUITY FINANCING IN
14 THE SALE OF MOTOR VEHICLES.
15

16
17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
18

19 *SECTION 1. Arkansas Code Title 23, Chapter 112, Subchapter 3 is*
20 *amended to add an additional section to read as follows:*

21 *23-112-317. Negative equity financing and disclosures permitted.*

22 *A new or used motor vehicle dealer or a new or used motor vehicle*
23 *lessor is not required to be licensed by the State Bank Department in order*
24 *to:*

25 *(1)(A) Pay in connection with a credit sale transaction any*
26 *amount necessary to satisfy a lease, a security interest, or a lien upon a*
27 *motor vehicle that is either returned or traded in to the new or used motor*
28 *vehicle dealer or the new or used motor vehicle lessor by the purchaser of a*
29 *new or used motor vehicle.*

30 *(B) The amount paid by the new or used motor vehicle*
31 *dealer or by the new or used motor vehicle lessor may be included and*
32 *disclosed as part of the credit sale transaction; or*

33 *(2)(A) Pay in connection with a lease transaction, any amount*
34 *necessary to satisfy a lease, a security interest, or a lien upon a motor*
35 *vehicle that is either returned or traded in to the new or used motor vehicle*



1 dealer or the new or used motor vehicle lessor by the lessee of a new or used
2 motor vehicle.

3 (B) The amount paid by the new or used motor vehicle
4 dealer or by the new or used motor vehicle lessor may be included and
5 disclosed as part of the amount to be paid by the lessee under the lease
6 transaction.

7 /s/ Rosenbaum

8
9 APPROVED: 3/28/2007
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36