

**Senate Bill No. 508**

**CHAPTER 59**

An act to add Section 2984.5 to the Civil Code, relating to automobile sales financing.

[Approved by Governor July 14, 2003. Filed with Secretary of State July 14, 2003.]

LEGISLATIVE COUNSEL'S DIGEST

SB 508, Escutia. Automobile sales financing.

Existing law regulates the terms and conditions of motor vehicle conditional sales contracts, as defined, and the sellers engaged in the business of selling or leasing motor vehicles under those contracts.

This bill would require a seller, as defined, to keep specified documents for 7 years or the length of the conditional sales contract, whichever is longer. Unlawful failure to provide the documents pursuant to a court order would result in a civil penalty of \$5,000.

*The people of the State of California do enact as follows:*

SECTION 1. Section 2984.5 is added to the Civil Code, to read:

2984.5. (a) A seller shall maintain the following documents for at least seven years or the length of the conditional sales contract, whichever is longer:

(1) A copy of each buyer's conditional sales contract.

(2) Any documents relied upon by the seller to determine a buyer's creditworthiness, including, but not limited to, any consumer credit report, as defined in Section 1785.3, or any other document containing a buyer's credit score, as defined in Section 1785.15.1.

(3) If the conditional sales contract is sold, assigned, or otherwise transferred, a copy of the terms of that sale, assignment, or transfer.

(b) A seller that unlawfully fails to comply with a court order to produce the documents described in subdivision (a) shall be liable in an action brought by the Attorney General for a civil penalty of five thousand dollars (\$5,000) per violation. The penalties provided by this section are in addition to all rights and remedies that are otherwise available under law.

