



State of Louisiana
LOUISIANA MOTOR VEHICLE COMMISSION

Kathleen Babineaux Blanco
Governor

Lessie A. House
Executive Director

August 14, 2004

BULLETIN #B-2004-04

TO: Motor Vehicle Sales Finance Licensees

RE: LSA-R.S. 6:969.1 et seq., 2004 Legislative Changes

Enclosed for your use is a copy of the Louisiana Motor Vehicle Commission Law, LSA-R.S. 6:969.1 *et seq.*, as amended in the 2004 Regular Legislative Session. All amendments are reflected in **red type**. The effective date is **August 15, 2004**. Review all the changes and be governed accordingly.

Please note Act 153 amended LSA-R.S. 6:969.18 as follows:

§ 969.18. Documentation fees; notary fees; transfer of equity and other fees; disclosure

A. **(1)** The extender of credit may charge the consumer **up to** thirty-five dollars documentation fee for services performed in documenting a motor vehicle credit transaction.

(2) The seller may, in connection with any retail sale, including but not limited to a retail installment transaction, charge a fee for credit investigation, preparation of the documents necessary to perfect or satisfy a lien upon the objects sold, and any other functions incidental to the titling of the retail sale. The maximum amount permitted to be charged shall be thirty-five dollars.

(3) The seller or extender of credit may additionally charge the consumer a convenience fee, as provided by R.S. 47:532.1(A)(7)(c), for services performed in obtaining a motor vehicle license or title on the consumer's behalf.

(4) The fees provided for in this Section are not considered to be additional loan finance charges or credit service charges under this Chapter and are nonrefundable and not subject to rebate.

(5) In the event the seller and the extender of credit are the same entity or a directly related entity, the maximum charge for all the services outlined in Paragraphs (1) and (2) of the Subsection shall be thirty-five dollars.

Additionally, please be advised Act 276 enacted a provision in the LSA-R.S. 32:1251 *et seq.* which allows a dealer to participate in finance charges up to three percent of the difference between the buy rate and contract rate but at no greater percentage. However, a disclosure must be made to the consumer **“that the dealer may be participating in finance charges associated with the sale.”** This act goes into effect on August 15, 2004. The statute as enacted reads as follows:

LSA-R.S. 32:1254 N. It shall be a violation of this Chapter:

(3) For a motor vehicle dealer, speciality vehicle dealer, used motor vehicle dealer, or a motor vehicle salesman/agent:

(k)(i)(aa) To fail to disclose to a purchaser in writing on the sales contract, buyer’s order, or any other document that the dealer may be participating in finance charges associated with the sale.

(bb) To participate in a finance charge that would result in a difference between the buy rate and the contract rate of more than three percent.

(ii) The provisions of Item (i) of the Subparagraph shall apply only to transactions subject to the Louisiana Motor Vehicle Sales Finance Act.

As you can see the disclosure must be on the sales contract, buyer’s order, or any other document; therefore, in order to ensure compliance, the document or a copy with the required language should be made a part of the transaction file.

The above are just some highlights of the session, you are encouraged to review the statutes and if you have any questions or comments, please do not hesitate to call the undersigned.

Additional copies of both laws may be downloaded from the Commission’s website, www.lmvc.state.la.us.

Yours very truly,

LOUISIANA MOTOR VEHICLE COMMISSION

Lessie A. House
Executive Director