

### **371.300 Requisites of retail charge agreement.**

- (1) Each retail charge agreement shall be in writing and signed or accepted by the buyer. A retail charge agreement shall be deemed to be signed or accepted by the buyer if, after a request for a retail charge account, the agreement or application for a retail charge account is in fact signed by the buyer, or if the retail charge account is used by the buyer, or if the retail charge account is used by another person authorized by the buyer to use it. The agreement shall not become effective until the buyer has received the disclosures required pursuant to the Federal Truth-in-Lending Act, 15 U.S.C. secs. 1601 et seq., and the buyer or person authorized by the buyer uses the retail charge account. A copy of any such agreement executed or accepted by the buyer on or after January 1, 1963, shall be delivered or mailed to the buyer by the seller prior to the date on which the first payment is due thereunder. Any acknowledgment by the buyer of delivery of a copy of the agreement contained in the body thereof shall be in a size equal to at least ten (10) point bold type and shall appear directly above the buyer's signature. No agreement executed on or after January 1, 1963, shall be signed or accepted by the buyer when it contains blank spaces to be filled in after it has been signed. The buyer's acknowledgment, conforming to the requirements of this subsection, of delivery of a copy of an agreement, shall be presumptive proof, in any action or proceeding, of such delivery and that the agreement, when signed or accepted, did not contain any blank spaces as provided in KRS 371.210 to 371.330. All retail charge agreements executed on or after January 1, 1963, shall state the maximum amount or rate of the time price differential to be charged and paid pursuant thereto. Any such agreement shall contain substantially the following notice printed or typed in a size equal to at least ten (10) point bold type: "NOTICE TO THE BUYER -- DO NOT SIGN THIS AGREEMENT BEFORE YOU READ IT OR IF IT CONTAINS BLANK SPACES. YOU ARE ENTITLED TO A COPY OF THE AGREEMENT YOU SIGN."
- (2) The seller shall promptly supply the buyer under the retail charge agreement with a statement as of the end of each monthly period, which need not be a calendar month, or other regular period agreed upon in writing by the seller and the buyer, in which there is any unpaid balance thereunder, which statement shall recite the following:
  - (a) The unpaid balance under the retail charge agreement at the beginning and at the end of the period;
  - (b) Unless otherwise furnished by the seller to the buyer by sales slip, memorandum, or otherwise, a description or identification of the goods or services purchased during the period, the cash sale price and the date of each purchase;
  - (c) The payments made by the buyer to the seller and any other credits to the buyer during the period;
  - (d) The amount, if any, of any time price differential for such period; and
  - (e) A legend to the effect that the buyer may at any time pay his total unpaid balance or any part thereof.

- (3) A retail charge agreement may provide for, and the seller or holder may then, notwithstanding the provisions of any other law, charge, collect and receive, in addition to the cash price, a time price differential for the privilege of paying in installments thereunder.
- (4) The holder of a retail charge agreement, if it so provides, may collect a delinquency and collection charge on each minimum payment in default for a period of more than ten (10) days in an amount not to exceed five percent (5%) of each minimum payment, or ten dollars (\$10), whichever is greater.

**Effective:** July 15, 1996

**History:** Amended 1996 Ky. Acts ch. 59, sec. 3, effective July 15, 1996. -- Created 1962 Ky. Acts ch. 136, sec. 3.