

**STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE SERVICES**

Bulletin 2007-10-CF

In the matter of

**APPLICABILITY OF MOTOR VEHICLE
SALES FINANCE ACT TO CASH SALE OR
NON-INSTALLMENT SALE TRANSACTIONS**

**Issued and entered
this 11th day of July 2007
By **Linda A. Watters**
Commissioner**

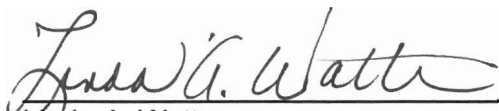
OFIS receives many inquiries regarding whether the Michigan Motor Vehicle Sales Finance Act (Act), 1950 PA 27, as amended, MCL 492.101 *et seq.*, allows motor vehicle sellers to charge a documentary preparation fee on cash sales or on non-dealer financed sales. The purpose of this informational statement is to clarify that the provisions of the Act are applicable only to motor vehicle sale transactions under an installment sale contract under the Act, and do not apply to a motor vehicle cash sale or non-installment sale transaction.

The Office of Financial and Insurance Services (OFIS) is statutorily charged with the responsibility and authority to implement and administer the Act, which regulates the "business of an installment seller of motor vehicles under installment sale contracts" within the State of Michigan. The Act applies to installment sales of motor vehicles and permits an installment seller to charge a documentary preparation fee in relation to an installment sale regulated by the Act.

The Act does not apply to cash or non-installment sale transactions and neither permits nor prohibits the charging of a documentary preparation fee to a buyer of a motor vehicle who is purchasing the motor vehicle through a cash or non-installment sale transaction.

Any questions regarding this bulletin should be directed to:

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Linda A. Watters
Commissioner of Financial and Insurance Services