

**ASSEMBLY, No. 2635**

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**STATE OF NEW JERSEY**

**219th LEGISLATURE**

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INTRODUCED FEBRUARY 13, 2020

**Sponsored by:**

**Assemblyman PAUL D. MORIARTY**

**District 4 (Camden and Gloucester)**

**Assemblyman ERIC HOUGHTALING**

**District 11 (Monmouth)**

**Co-Sponsored by:**

**Assemblywoman Swain**

**SYNOPSIS**

Requires motor vehicle dealers provide loan application to consumers.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 3/1/2021)**

1 AN ACT concerning motor vehicle dealers and amending Title 56 of  
2 the Revised Statutes.

3  
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*  
5 *of New Jersey:*

6  
7 1. Section 1 of P.L.1982, c.98 (C.56:8-2.22) is amended to read  
8 as follows:

9 1. a. It shall be an unlawful practice and a violation of  
10 P.L.1960, c.39 (C.56:8-1 et seq.) for a person in connection with a  
11 sale of merchandise to require or request the consumer to sign any  
12 document as evidence or acknowledgment of the sales transaction,  
13 of the existence of the sales contract, or of the discharge by the  
14 person of any obligation to the consumer specified in or arising out  
15 of the transaction or contract, unless **[he]** the person shall at the  
16 same time provide the consumer with a full and accurate copy of the  
17 document so presented for signature but this section shall not be  
18 applicable to orders placed through the mail by the consumer for  
19 merchandise.

20 b. In addition to the requirements of subsection a. of this  
21 section, it shall be an unlawful practice and a violation of P.L.1960,  
22 c.39 (C.56:8-1 et seq.) for any motor vehicle dealer to fail to  
23 provide to a consumer a copy of any loan application prepared in  
24 connection with the sale of a motor vehicle.

25 (cf: P.L.1982, c.98, s.1)  
26

27 2. This act shall take effect immediately.  
28  
29

#### 30 STATEMENT

31  
32 This bill makes it an unlawful practice under the consumer fraud  
33 act for a motor vehicle dealer to fail to provide a consumer with a  
34 copy of any loan application prepared in connection with the sale of  
35 a motor vehicle.

36 Under current law, a motor vehicle dealer is not specifically  
37 required to provide a consumer with a copy of the loan application  
38 prepared in connection with the sale of a motor vehicle. This bill  
39 clarifies that a motor vehicle dealership is required to provide a  
40 consumer with a copy of any loan application prepared in  
41 connection with the sale of a motor vehicle. It is the sponsor's view  
42 that not requiring the disclosure of loan applications prepared by  
43 motor vehicle dealers may allow for the submission of inaccurate  
44 financial information to lenders in order to permit a consumer to

**EXPLANATION** – Matter enclosed in bold-faced brackets **[thus]** in the above bill is  
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1   qualify for a motor vehicle loan for which he or she would  
2   otherwise be unqualified.

3       An unlawful practice under the consumer fraud act is punishable  
4   by a monetary penalty of not more than \$10,000 for a first offense  
5   and not more than \$20,000 for any subsequent offense.  
6   Additionally, violations may result in cease and desist orders issued  
7   by the Attorney General, the assessment of punitive damages, and  
8   the awarding of treble damages and costs to the injured party.