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ADVISORY RULING #97
MARCH 30, 1991

March 30, 1991

Re: Notice of Right to Cure Default (Weekly Auto Payments)

Dear [Automobile Dealer]:

You have asked whether the Notice of Right to Cure Default, reproduced below, is consistent with 9-A M.R.S.A. §5-110, when used in connection with a contract requiring weekly automobile payments:

* * * * *

**NOTICE OF RIGHT TO CURE
(WEEKLY AUTO PAYMENTS)**

(Name, address and telephone number of creditor)

(Account number, if any)

(Brief identification of credit transaction)

(Date) is the LAST DAY FOR PAYMENT

(Amount) is the AMOUNT NOW DUE

You are late in making your payment(s). If you pay the AMOUNT NOW DUE (above) by the LAST DAY FOR PAYMENT (above), you may continue with the contract as though you were not late. If you do not pay by that date, we may exercise our rights under the law, including involuntary repossession of the motor vehicle on which we hold a security interest.

PLEASE ALSO NOTE: As of the LAST DATE FOR PAYMENT, above, you will owe the following additional payments:

<hr/>	
(date due)	(amount)
<hr/>	
(date due)	(amount)

In order to fully cure your account, and in order to prevent the exercise of our rights under law, the payment or payments listed above must also be paid in full on or before the LAST DAY FOR PAYMENT.

If you are late again within the next 52 weeks in making your payments, we may exercise our rights, including repossession, without sending you another notice like this one. If you have questions, write or telephone (name of creditor) promptly.

* * * * *

It is my view that such a notice complies with Section 5-110. The form set forth in the statute is included for the guidance of creditors, and a Notice "in substantially the same form" is deemed to satisfy the section's requirements. The form proposed above includes all the required language, but adds

- 1) A clarification that the most common and consequential "exercise [of] rights under the law" is repossession of the secured vehicle, and
- 2) A caveat that simply curing the initial late payment will not resolve the default status, if the consumer does not make any additional payments which have accrued in the interim.

Sincerely,

William N. Lund
Superintendent

WNL/bas