SUPPLEMENTAL ORDER REGARDING CORRECTING CLERICAL ERROR IN ADOPTED FORM CONTRACTS

In Re:

PROPOSED REVISIONS TO AND DATE OF IMPLEMENTATION FOR FORMS PURSUANT TO NAC 97

WHEREAS, the Commissioner of the Financial Institutions Division, State of Nevada Department of Business and Industry ("Commissioner"), having received notification of unintended changes due to clerical error in the disclosed versions of certain contracts;

WHEREAS, in the exhibits attached to the Order Making Changes to and Amending Date of Implementation of Forms Pursuant to NAC 97 dated May 24th, 2012, the prepayment disclosure in Section B was inadvertently changed from the following:

"PREPAYMENT: If you pay off early, you may be entitled to a refund of the Finance Charge.

See your contract documents for any additional information about nonpayment, default, any required repayment in full before the scheduled date, and prepayment refunds and penalties."

to the following:

"PREPAYMENT: If you pay off early, you will not have to pay a penalty."
See your contract documents for any additional information about nonpayment, default, any required repayment in full before the scheduled date, and penalties.”

on the following contracts:

1. Contract for Sale and Security Agreement for Sale of Vehicle with Precomputed or Add-on Interest to be Paid;

2. Contract for Sale and Security Agreement for Sale of Vehicle with Larger Final Payment and Option to Refinance;

3. Contract for Sale and Security Agreement for Lease of Vehicle with Lessee Entitled to Refinance Residual Payment Due at End of Lease Term;

4. Contract for Sale and Security Agreement for Sale of Recreational Vehicle with Precomputed or Add-on Interest to be Paid;

WHEREAS, this change in language was not intended, was not part of any discussion at the hearing regarding changes to the form contracts, and was not meant to be part of the Order Making Changes to and Amending Date of Implementation of Forms Pursuant to NAC 97, dated May 24th, 2012;

WHEREAS, this change was due solely to clerical error;

WHEREAS, the Commissioner having further received notice of typographical errors in the versions of certain form contracts;

WHEREAS, in the Application for Credit Used in Any Sale of Vehicle Governed by NRS 97.299, Section F, subsection (3), “understand” should read “understands”;

WHEREAS, in Section C, subsection 11, Other Amounts Financed*, amount lines for 11b and 11c to be referenced as “$(- - - )”, were inadvertently omitted from the following form contracts:
1. Contract for Sale and Security Agreement for Sale of Vehicle with Payment of Simple Interest;
2. Contract for Sale and Security Agreement for Sale of Vehicle with Precomputed or Add-on Interest to be Paid;
3. Contract for Sale and Security Agreement for Sale of Vehicle with Larger Final Payment and Option to Refinance;
4. Contract for Sale and Security Agreement for Lease of Vehicle with Lessee Entitled to Refinance Residual Payment Due at End of Lease Term;
5. Contract for Sale and Security Agreement for Recreational Vehicle with Simple Interest to be Paid;
6. Contract for Sale and Security Agreement for Recreational Vehicle with Precomputed or Add-on Interest to be Paid;

NOW THEREFORE,

IT IS HEREBY ORDERED that the Order Making Changes to and Amending Date of Implementation of Forms Pursuant to NAC 97 dated May 24th, 2012 is amended;

IT IS FURTHER ORDERED that the following prepayment disclosure in Section B:

"PREPAYMENT: If you pay off early, you will not have to pay a penalty.
See your contract documents for any additional information about nonpayment, default, any required repayment in full before the scheduled date, and penalties."

shall be deleted and replaced with the following:

"PREPAYMENT: If you pay off early, you may be entitled to a refund of the Finance Charge."
See your contract documents for any additional information about nonpayment, default, any required repayment in full before the scheduled date, and prepayment refunds and penalties."

in the following form contracts:

1. Contract for Sale and Security Agreement for Sale of Vehicle with Precomputed or Add-on Interest to be Paid;

2. Contract for Sale and Security Agreement for Sale of Vehicle with Larger Final Payment and Option to Refinance;

3. Contract for Sale and Security Agreement for Lease of Vehicle with Lessee Entitled to Refinance Residual Payment Due at End of Lease;

4. Contract for Sale and Security Agreement for Sale of Recreational Vehicle with Precomputed or Add-on Interest to be Paid;

IT IS FURTHER ORDERED that in the Application for Credit Used in Any Sale of Vehicle Governed by NRS 97.299, Section F, subsection (3), the word “understand” shall be deleted and replaced with “understands”;

IT IS FURTHER ORDERED that in Section C, subsection 11, Other Amounts Financed*, "$\left(\ldots\right)\) shall be inserted at lines 11b and 11c to be aligned with the amount line of 11a in the following form contracts:

1. Contract for Sale and Security Agreement for Sale of Vehicle with Payment of Simple Interest;

2. Contract for Sale and Security Agreement for Sale of Vehicle with Precomputed or Add-on Interest to be Paid;

3. Contract for Sale and Security Agreement for Sale of Vehicle with Larger Final Payment and Option to Refinance;
4. Contract for Sale and Security Agreement for Lease of Vehicle with Lessee Entitled to Refinance Residual Payment Due at End of Lease Term;
5. Contract for Sale and Security Agreement for Recreational Vehicle with Simple Interest to be Paid;
6. Contract for Sale and Security Agreement for Recreational Vehicle with Precomputed or Add-on Interest to be Paid;

IT IS FURTHER ORDERED that the Division shall post the corrected version of above-entitled contracts on its website, and that the previous version of those contracts shall be deleted.

DATED this 30th day of August, 2012

GEORGE E. BURNS,
COMMISSIONER