

# CONSUMER INFORMATION

## 4-11-00

### **Spot Delivery**

Spot delivery occurs when a buyer and a car dealer sign an installment sale contract for the sale of a motor vehicle and the buyer takes delivery of the vehicle “on the spot.” The buyer agrees, usually by signing a rider to the contract, that the contract is void if the dealer does not assign it within a certain number of days. The contract may further provide that if the contract is void, the buyer must either pay the balance in full or return the vehicle, pay for any damage, and sometimes pay rent or for “excessive mileage.”

On such a contract, the dealer has a choice whether to assign the contract. The dealer has sole control over the effort it will make to assign a contract. A contract that requires a buyer to waive all of his or her contract rights and protections under the Motor Vehicle Sales Finance Act (Act) because the dealer is unable to take advantage of an optional assignment, is inconsistent with the Act. A motor vehicle installment sale contract conditioned upon the contract’s assignment to a finance company violates the Act. Such a provision is not enforceable. Also, a contract provision calling for the balance to be paid in full violates the Act. Apart from such provisions and any other unlawful provision, the contract is not void. It is legally enforceable. You are still responsible for making the payments as required by the contract. If the dealer requests that you return to sign a new contract, you are not required to do so.