

CURRENT ISSUES IN NAVAJO CONSUMER LAW

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NAVAJO REPOSSESSION LAW

STATE LAW

- Self-help repossession allowed.
- Must not “breach the peace.” A.R.S. § 57-9609(B)(2).

Violation of Navajo Code

- 7 N.N.C. §§ 621-624.
- Requires Contemporaneous Written and Informed Consent. 7 N.N.C. § 621.
- Or Tribal Court Order. 7 N.N.C. § 621.
- Only applies to consumer goods.

Purpose of Navajo Repossession Law

- The purpose of the statute before us was said to be “to prevent violence and breach of the peace in the repossession of personal property of **Navajo** Indians from land subject to the jurisdiction of the **Navajo** Tribe”

Consent Must Be At Time of Repossession

- Violation of Navajo Nation Consumer Protection Act to obtain consent at time of sale. *Russell v. Donaldson*, 3 Nav. R. 209 (Window Rock Dist. Ct. 1982).
- *Amigo Chevrolet, Inc. v. Lee*, No. A-CV-32-87) (Nav. Sup. Ct. 1987).

Navajo Nation Consumer Protection Act

- Unfair and deceptive practice to require consent to repossession at time of contract. 5 N.N.C. § 1103(D)(20).

Damages

- Actual damages. 7 N.N.C. § 623(A).
- Statutory damages of finance charge plus ten percent of the cash price. 7 N.N.C. § 623(B).
- Plus \$5,000.00 in liquidated damages as restitution. 7 N.N.C. § 622(B).
- Punitive damages – where willful fraudulent or unconscionable. 7 N.N.C. § 623(D).

STOCK NO. P406640A **MOTOR VEHICLE RETAIL INSTALLMENT SALES CONTRACT AND PURCHASE MONEY SECURITY AGREEMENT**

Buyer(s)/Debtor(s): [REDACTED] **Seller/Creditor:** RIGHT HONDA
Address: [REDACTED] **Address:** 7875 E FRANK LLOYD WRIGHT BLVD
Address: [REDACTED] **Address:** SCOTTSDALE, AZ 85260

This is an agreement for the installment purchase by you of the Vehicle described below. As used in this Contract, the words "you" and "your" mean the Buyer or Buyers who signs below. The words "we", "us", "our" and "Seller" refer to the Seller whose name and address appear above or to anyone to whom this Contract is assigned (referred to as the "Assignee"). If the Assignee notifies you that it has purchased this Contract, you agree to make all of your payments to the Assignee. This sale is subject to approval of your credit by us and acceptance of this Contract by an Assignee. BY SIGNING BELOW, YOU ALSO AGREE TO ALL OF THE TERMS ON BOTH SIDES OF THIS CONTRACT. PLEASE READ THE BACK CAREFULLY.

This Vehicle which you are purchasing is a:

NEW OR USED	YEAR MODEL	MAKE TRADE NAME	NO. CYL.	BODY TYPE	MODEL # OR SERIES	VEHICLE ID. #
USED	02	JEEP	06	4DR SUV	LIBERTY	1J4G53K73262153

EQUIPMENT:

☐ AM/FM Stereo ☐ 4 Sp. Trans. ☐ T-Top/Sun ☐ Pwr. Strg. ☐ Air Cond. ☐ Pwr. Wind. ☐ Pwr. Doors

☐ Tape ☐ 5 Sp. Trans. ☐ CD Player ☐ Auto. Trans. ☐ Cruise ☐ Pwr. Seats ☐ Cust. Whls.

Misc. Equipment:

You intend to use the Vehicle primarily for ☒ personal, family, or household purposes ("personal use") ☐ commercial, business, agricultural, or other non-personal uses ("commercial use").

ANNUAL PERCENTAGE RATE	THE COST OF YOUR CREDIT AS A YEARLY RATE.	Number of Payments	Amount of Payments	When Payments Are Due:
22.00 %		60	489.01	Monthly, Beginning 02/30/2005

FINANCE CHARGE	THE DOLLAR AMOUNT THE CREDIT WILL COST YOU.	Insurance: CREDIT LIFE INSURANCE AND CREDIT DISABILITY INSURANCE ARE NOT REQUIRED TO OBTAIN CREDIT, AND WILL NOT BE PROVIDED UNLESS YOU SIGN AND AGREE TO PAY THE ADDITIONAL COST.
	\$ 11,793.75	
Amount Financed	The amount of credit provided to you or on your behalf	
	\$ 17,546.85	
Total of Payments	The amount you will have paid after you have made all payments as scheduled.	
	\$ 29,340.60	
	The total cost of your purchase on	

Your payment schedule will be:

Type Term Premium Signature

Credit Life Insurance mos. \$ I want credit life insurance only

Disability Insurance mos. \$ I want disability insurance only

Credit Life and Disability mos. \$ I want credit life and disability insurance

Joint Credit Life Insurance mos. \$ We want joint credit life insurance

Joint Credit Life and Single Disability Insurance mos. \$ We want joint credit life and single disability insurance

Security: You are giving a security interest in the Vehicle being purchased.

Itemization of Amount Financed

1. Cash Price (incl. accessories) \$ 16,450.37 + Sales Tax \$ 136.37 = Total Cash Price \$ 16,586.74 (1)

2. Other charges imposed by Seller include:

(a) Vehicle Service Contract (Term) 036 / 36000 \$ 2,000.00

(b) Dealer Documentary Fee \$ 289.90

(c) Other (describe) N/A \$ N/A

(d) Other (describe) N/A \$ N/A

Total \$ 2,289.90 (2)

3. Payments made on your behalf to Public Officials for Official Fees:

(a) Registration Fees \$ N/A + (b) Title Fees \$ N/A + (c) Lien Tax \$ 306.58 +

(d) Lien Filing Fees \$ N/A + (e) Postage Fees \$ N/A + (f) Weight Fees \$ N/A +

(g) Other (describe) AIR QUAL & TRANSFER FEE \$ N/A

Total \$ 306.58 (3)

4. Cash Sale Price (sum of items 1, 2 and 3) \$ 19,046.85 (4)

5. Trade-in \$ 1,020.00 - Gross Allowance \$ 1,020.00 Payoff \$ N/A Net Trade-In (Deficiency) \$ N/A (5)

6. Total Down Payment includes:

(a) Net Trade-In (item 5) (if negative, insert \$0) \$ N/A

(b) Cash Down Payment (Includes manufacturer's rebate of \$ N/A assigned to Seller) \$ 2,000.00

Total Down Payment (a + b) \$ 2,000.00 (6)

7. Unpaid balance of Cash Sale Price (item 4 less item 6) \$ 17,046.85 (7)

8. Payments made to others on your behalf:

(1) Credit Insurance Premiums \$ N/A + (2) Property Insurance Premiums \$ N/A (8a)

Total \$ N/A (8a)

(b) Amounts paid to others:

(1) Payments to GEARTRIP for DCA \$ 500.00 (8b)

(2) Payments to for DCA \$ N/A (8c)

(3) Payments to for DCA \$ N/A (8d)

(4) Payments to for DCA \$ N/A (8e)

(5) Payments to for DCA \$ N/A (8f)

Total Amount Paid to Others (Sum of items 8A through 8F) \$ 500.00 (8)

We may be retaining a portion of this amount.

9. Amount Financed - Amount of credit you will get (item 7 plus item 8) \$ 17,546.85 (9)

10. If the "Amount Financed" exceeds \$25,000 or if the Vehicle is purchased primarily for commercial use, the "Amount Financed" is also the "Final Cash Price Balance" and the "Total of Payments" is also the "Time Balance."

11. **Property Insurance:** You promise to keep the Vehicle insured for its full value against loss or damage with loss payable endorsement in our favor during the time any amount is unpaid under this Contract. YOU MAY OBTAIN YOUR REQUIRED INSURANCE FROM ANY INSURANCE COMPANY.

ELECTRONIC REPOSSESSIONS



*BEGAY ET AL. V. CREDIT
ACCEPTANCE
CORPORATION,
No. CH-CV-76-12*

- Credit Acceptance Corporation required that starter interrupter devices (“SIDs”) and GPS system installed in all vehicles it financed.
- If consumer defaults, then CAC can remotely disable vehicle from starting.

Reports of Problems

- Not in default.
- Stranded in remote places.
- No cell phone service.
- No public transportation.

Does this Violate Navajo Repossession Law?

- Without removal a secured party may, in accordance with applicable Navajo law, render equipment unusable, and may dispose of collateral on the debtor's premises under § 9-504.

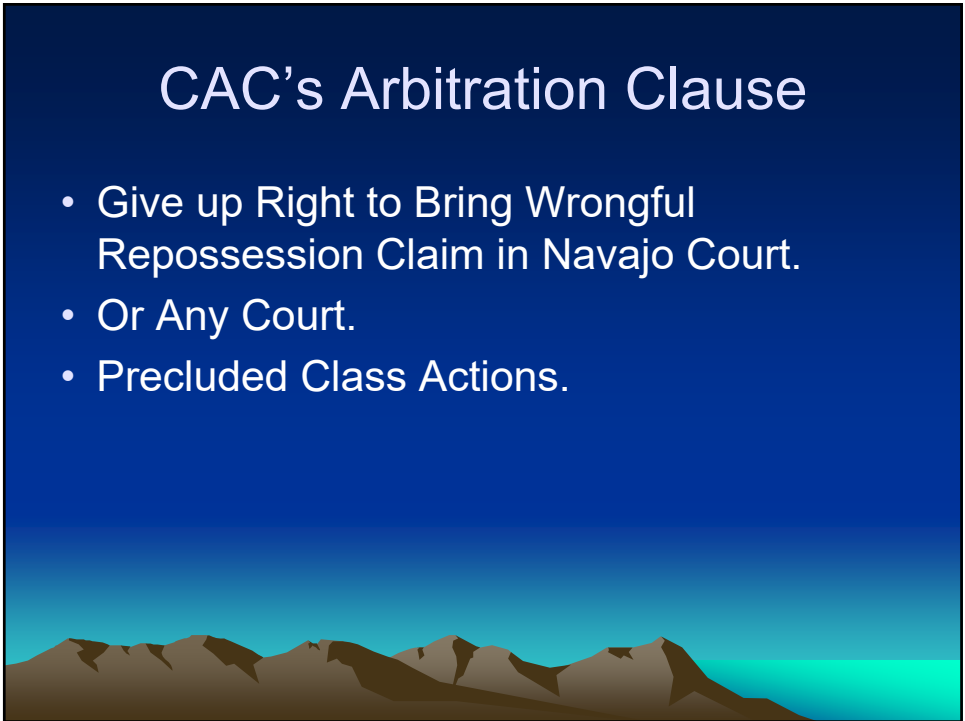
CLASS ACTION SETTLEMENT

- Each consumer got \$900.00, either in the form of cash or credit or combination of both depending on the balance of their loan.
- Money has been distributed.
- *Cy pres* to DNA for consumer work.

ARBITRATION



CAC's Arbitration Clause

- Give up Right to Bring Wrongful Repossession Claim in Navajo Court.
 - Or Any Court.
 - Precluded Class Actions.
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DEED FOR REDEMPTION

ARBITRATION CLAUSE

This Arbitration Clause describes how a Dispute (as defined below) may be arbitrated. Arbitration is a method of resolving disputes in front of one or more neutral persons, instead of having a trial in court in front of a judge and/or jury. In this Arbitration Clause, "We" and "Us" mean Seller and/or Seller's assignee (including, without limitation, Credit Acceptance Corporation) or their employees, assignees, or any third party providing any goods or services in connection with the origination, servicing and collection of amounts due under the Contract if such third party is named as a party between You and Us. "You" and "Your" means each Buyer named above.

A "Dispute" is any controversy or claim between You and Us arising out of or in any way related to this Contract, including, but not limited to, any default under this Contract, the collection of amounts due under this Contract, the purchase, sale, delivery, set-up, quality of the Vehicle, advertising for the Vehicle or its financing, or any product or service included in this Contract. "Dispute" shall have the broadest meaning possible, and includes contract claims, and claims based on tort, violations of laws, statutes, ordinances or regulations or any other legal or equitable theories. Notwithstanding the foregoing, "Dispute" does not include any individual action brought by You in small claims court or Your state's equivalent court, unless such action is transferred, removed or appealed to a different court. "Dispute" does not include an repossession of the Vehicle upon Your default and any exercise of the power of sale of the Vehicle under this Contract or any individual action by You to prevent Us from using any such remedy, so long as such individual action does not involve a request for monetary relief of any kind.

If a Dispute arises, the complaining party shall give the other party a written Dispute Notice and a reasonable opportunity, not less than 30 days, to resolve the Dispute. Any Dispute Notice to You will be sent in writing to the address on this Contract (or any updated address You subsequently provide to Us). Any Dispute Notice to Us must be sent by mail to: Credit Acceptance, Attn: Corporate Legal, 25505 West Twelve Mile Road, Suite 3000, Southfield, Michigan 48034-8339 (or any updated address We subsequently provide to You). Any Dispute Notice You send must give Your Account Number, telephone number and address. Any Dispute Notice must explain the nature of the Dispute and the relief that is demanded. The complaining party must reasonably cooperate in providing any information about the Dispute that the other party reasonably requests.

Either You or We may require any Dispute to be arbitrated and may do so before or after a lawsuit has been started over the Dispute or with respect to other Disputes or counterclaims brought later in the lawsuit. If You or We elect to arbitrate a Dispute, this Arbitration Clause applies. A Dispute shall be fully resolved by binding arbitration. Judgment on the arbitration award may be entered in any court with jurisdiction. The arbitrator shall decide whether a particular Dispute is subject to arbitration and any question as to the enforceability of all or part of this Arbitration Clause, except that the validity and effect of the Class Action Waiver (defined below) may be determined only by a court and not by an arbitrator. All statutes of limitation which otherwise would apply to an action brought in court will apply in arbitration. The arbitrator is authorized to award all remedies permitted by the substantive law that would apply if the action were pending in court, including, without limitation, punitive damages (which shall be governed by the Constitutional standards employed by the courts) and attorneys' fees and costs.

You and We voluntarily and knowingly waive any right to a jury trial. You and We agree that all Disputes must be resolved on an individual basis through arbitration and that representative actions, such as class actions, are prohibited (this is referred to below as the "Class Action Waiver"), and regardless of any statements in this Arbitration Clause that state otherwise, the validity and effect of the Class Action Waiver may only be determined by a court and not by an arbitrator. In the event there is an agreement to arbitrate claims or disputes that conflicts with this Arbitration Clause, whether such agreement is executed before, at the same time, or after this Arbitration Clause, the terms of this Arbitration Clause shall control any and all Disputes between You and Us.

Notwithstanding the foregoing, We retain the right to repossess the Vehicle upon Your default and to exercise any power of sale under this Contract. If any provision of this Arbitration Clause other than the Class Action Waiver is invalid or unenforceable under the Federal Arbitration Act or any other applicable law, the invalid or unenforceable provision shall be inapplicable and deemed omitted, but shall not invalidate the rest of this Arbitration Clause, and shall not diminish the parties' obligation to arbitrate Disputes subject to this Arbitration Clause. In the event that the Class Action Waiver is determined to be invalid or unenforceable, then, subject to the right to appeal such a ruling, this entire Arbitration Clause (except for this sentence) shall be null and void.

Whoever first elects arbitration may choose to arbitrate under the rules and procedures of either JAMS or the American Arbitration Association; however in the event of a conflict between these rules and procedures and the provisions of this Arbitration Clause, You and We agree that this Arbitration Clause governs for that specific conflict. You may obtain the rules and procedures, information on fees and costs (including waiver of the fees), and may file a claim by contacting the organization of Your choice. The addresses and websites of the organizations are: JAMS, 1920 Main Street, Suite 300, Irvine, CA 92614, www.jamsadr.com; and American Arbitration Association, 335 Madison Avenue, Floor 10, New York, New York 10017-4605, www.adr.org. If neither JAMS nor the American Arbitration Association is able or willing to serve, and You and We can't otherwise agree on a substitute administrator or arbitrator, then a court with appropriate jurisdiction shall appoint an arbitrator. We will consider any good faith request You make to Us to pay the administrator's or arbitrator's filing, administrative, hearing and/or other fees if You cannot obtain a waiver of such fees from the administrator and We will not seek or accept reimbursement of any such fees. We will bear the expense of our attorneys, experts and witnesses, except where applicable law and this Contract allow Us to recover attorneys' fees and/or court costs in a collection action. We bring. You will bear the expense of Your attorneys, experts and witnesses if We prevail in an arbitration. However, in an arbitration You commence, we will pay Your fees if You prevail or if We must bear such fees in order for this Arbitration Clause to be enforced. Also, we will bear any fees if applicable law requires Us to. The arbitrator may decide that an in-person hearing is unnecessary and that he or she can resolve the Dispute based on the papers submitted by You or Us and/or through a telephonic hearing. However, any arbitration hearing that You attend will take place at a location that is reasonably convenient to You. Notice of the time, date and location shall be provided to You and Us under the rules and procedures of the arbitration organization selected. The arbitrator's decision is final and binding, except for any right of appeal provided by the Federal Arbitration Act, 9 U.S.C. § 1 et. Seq. ("FAA"). However, if the amount of the Dispute exceeds \$50,000 or involves a request for injunctive or declaratory relief that could foreseeably involve a cost or benefit to either party exceeding \$50,000, any party can appeal the award to a three-arbitrator panel administered by the Administrator, which panel shall reconsider any aspect of the initial award requested by the appealing party. The decision of the panel shall be by majority vote. Reference in this Arbitration Clause to "the arbitrator" shall mean the panel of arbitrators if an appeal of the arbitrator's decision has been taken. The costs of such an appeal will be borne in accordance with the section of this Arbitration Clause which describes who will bear the costs for the initial proceeding before a single arbitrator.

It is expressly agreed that this Contract evidences a transaction in interstate commerce. This Arbitration Clause is governed by the FAA and not by any state arbitration law. Your Right to Reject: If You don't want this Arbitration Clause to apply, You may reject it by mailing Us at P.O. Box 5070, Southfield, Michigan 48086-5070 a written rejection notice which describes the Contract and tells Us that You are rejecting this Arbitration Clause. A rejection notice is only effective if it is signed by all buyers, co-buyers and cosigners and the envelope that the rejection is sent in has a post mark of 30 days or less after the date of this Contract. If You reject this Arbitration Clause, that will not affect any other provision of this Contract or the status of Your Contract. If You don't reject this Arbitration Clause, it will be effective as of the date of this Contract.

ASSIGNMENT

Navajo Arbitration Act Federal Arbitration Act

- A written agreement to submit any existing or future controversy to arbitration is valid, enforceable and irrevocable, save upon such grounds as exist at law or in equity for the revocation of the contract.

7 N.N.C. 1103 ; 9 USCS § 2;

Navajo Case Law Addressing Arbitration

- *Greentree Servicing, LLC v. Duncan*, No. SC – CV46-05 (2008).
- *Black v. Singleton's Mobile Home Sales, Inc.*, No. SR-CV-383-09-CV.

Arbitration Clauses are Everywhere

- Electronic Repossessions
- Title Loans
- Car Deals
- Rent to Own

CFPB

- Promulgated Rule Regarding Arbitration Clauses in Consumer Transactions.
- Contracts that have forced arbitration clauses cannot bar consumers from bringing class actions.
- Arbitration results must be reported so CFPB can study impact on individual cases.

Applies to

- Loans and credit, payday loans, student loans, and auto loans.
- Bank accounts, prepaid cards, money transfer services
- Credit reporting, credit scores, credit monitoring
- Credit repair, debt management, debt settlement, and debt relief,
- Cash checking, cash collection, check guaranty services

Applies to

- Debt collection and payment processing
- Mobile wireless providers

Does not cover

- Auto dealers
- **For profit colleges and trade schools**
- **Credit card and bank accounts begun before the rule goes into effect**
- **Services offered directly by governments or tribes to members within their jurisdiction**
- **Investment products and services (SEC)**
- **Individuals**
- **Nonfinancial products and services – i.e. nursing homes**

Congressional Override

- Resolution under Congressional Review Act.
- Deadline to override appears to be Nov. 13 – with simple majority

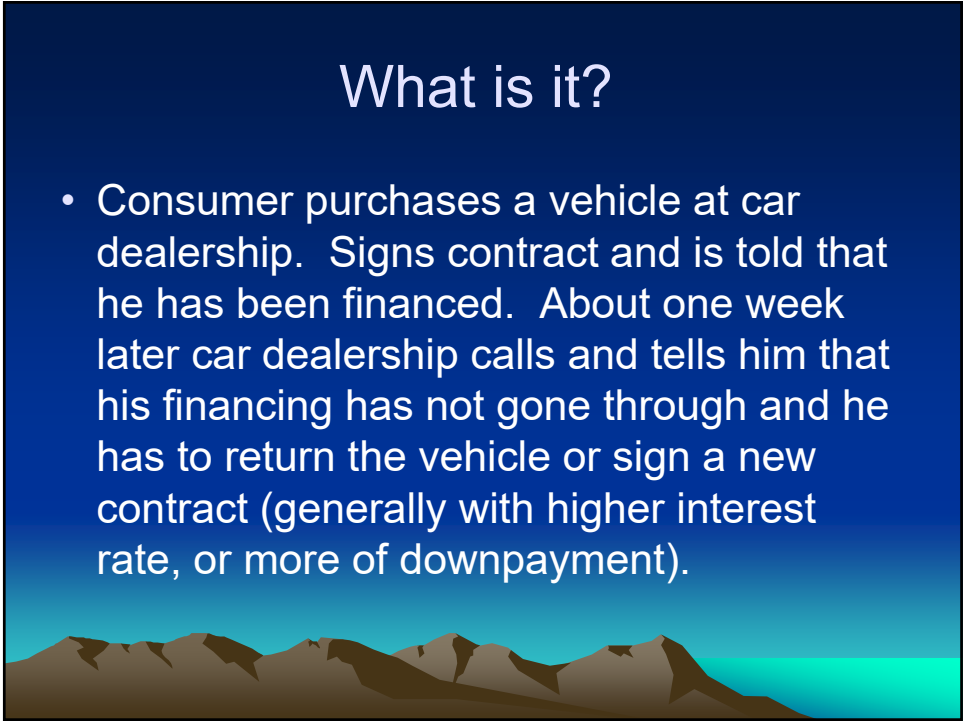
Finance Industry

- Filed a lawsuit to overturn CFPB Arbitration Rule

YO-YO SALES



What is it?

- Consumer purchases a vehicle at car dealership. Signs contract and is told that he has been financed. About one week later car dealership calls and tells him that his financing has not gone through and he has to return the vehicle or sign a new contract (generally with higher interest rate, or more of downpayment).
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What gives dealer's the ability to do this?

<p>11. GENERAL: This Contract shall be governed by the laws of the State of Arizona. Any provisions found to be invalid shall not invalidate the remainder hereof. Waiver of any default shall not constitute waiver of any subsequent default. All words used herein shall be construed to be of such gender and number as the circumstances require and all references herein to you shall include all other persons primarily or severally liable hereunder. This Contract shall be binding upon the heirs, personal representatives, successors and assigns and shall inure to the benefit of our successors and assigns. This Contract constitutes the entire agreement between us and may not be altered or amended unless made in writing and duly executed by us.</p> <p>12. SELLER'S RIGHTS IN ABSENCE OF CREDIT APPROVAL: (a) You agree to furnish us any documentation necessary to verify information contained in the credit application. (b) You acknowledge that it may take a few days for us to verify your credit and assign this Contract. In consideration of our agreeing to deliver the Vehicle, you agree that if we are unable to assign the contract to any one of the financial institutions with whom we regularly do business pursuant to terms of assignment acceptable to us, we may cancel this Contract. (c) In the event we cancel this Contract, we shall give you notice of the cancellation. Upon receipt of such notice, you shall immediately return the Vehicle to us in the same condition as when sold, reasonable wear and tear excepted, and this Contract shall then be deemed cancelled. We agree, upon cancellation of this Contract to restore to you all consideration we received in connection with this Contract, including any trade-in vehicle. (d) In the event the Vehicle is not immediately returned to us upon notice of our cancellation of this Contract, you agree to pay and shall be liable to us for all expenses incurred by us in obtaining possession of the Vehicle, including attorney's fees, and we shall have the right to repossess the Vehicle with free right of entry wherever the Vehicle may be found. (e) While the Vehicle is in your possession, all terms of this Contract, including those relating to use of the Vehicle and insurance for the Vehicle, shall be in full force and all risk of loss or damage to the Vehicle shall be assumed by you, you shall pay all reasonable repair costs related to any damage sustained by the Vehicle while in your possession or control of and until the Vehicle is returned to us.</p> <p style="text-align: center;">SELLER'S ASSIGNMENT AND WARRANTY</p> <p>For value received, Seller hereby sells, assigns and transfers to Assignee, all rights, title and interest in and to this Contract, the Vehicle and equipment therein described and all monies due and to become due thereunder. Seller warrants that the signature of the Buyer(s) herein are genuine, that Seller holds title to the Vehicle, that the cash downpayment shown has actually been received by Seller and no part thereof was loaned to Buyer(s) by or through Seller, that the Vehicle is free from any liens and/or encumbrances except the lien of the security interest created by this Contract, that the Vehicle has been delivered into the possession of the Buyer(s), that Buyer(s) was of legal age and competent to execute this Contract on the date hereof, that the Vehicle has not salvaged, and that, if this transaction is subject to regulation by any state or federal law or regulation, including, but not limited to, the Federal Truth in Lending Act, Magnuson-Moss Warranty - Federal Trade Commission Improvement Act, or Equal Credit Opportunity Act, the transaction was consummated in strict compliance with such law(s) and any regulations promulgated pursuant thereto and that before offering to sell this Contract to Assignee, any period, wherein Buyer(s) had the right to rescind such transaction, had expired and such Buyer(s) had not rescinded the transaction, that this contract and the debt evidenced thereby is not, and will not be subject to any claims, disputes, complaints, offsets, counterclaims or defenses of any kind during the time the said debt remains unpaid, and that Seller has taken all action necessary to perfect a first lien purchase money security interest in Seller or its Assignee.</p> <p>Seller unconditionally guarantees to Assignee the full and immediate payment and performance of this Contract with respect to which any one or more of the foregoing warranties or representations is breached or false and hereby agrees to repurchase this Contract upon the occurrence of any such breach of warranty or false representation immediately, upon demand by Assignee, for a cash amount equal to the net unpaid balance of the Contract by direct cash payment from Seller to Assignee and not by recourse to or adjustment in any dealer reserve or other such accounts. Seller further hereby agrees to indemnify and hold Assignee harmless from all loss, claims, damages, costs, expenses and attorneys' fees incurred or sustained by Assignee resulting from or arising out of such obligations under this Contract determined to be due to any claim or defense Buyer(s) may now or in the future have against Seller relating to the transaction herein described. If the Assignee's and/or Seller's rights and duties hereunder is referred to an attorney for interpretation or enforcement, the prevailing party shall be entitled to receive and collect from the losing party all court costs and expenses incurred plus reasonable attorneys' fees.</p> <p>Seller waives all demand and notice of default and consents that, without notice to the Seller, Assignee may extend the time of payments, or compound or release by operation of law or otherwise any rights against Buyer(s) or any other obligor. Assignee shall not be bound to take any steps necessary to preserve any rights in this Contract or any accompanying agreements or documents against prior parties, which Seller hereby agrees to do.</p>	
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Why do they do it?



No harm, no foul?

- Mileage charges.
- Sale of trade-in.



Does the Repossession Violate Navajo Law?

- “The consumer goods...of *individuals possessed under credit agreements* shall not be taken by any person or agent of any person, except in strict compliance with this section.”

THE PARKING LOT SALE



- Dealer walks around Bashas' parking lot and convinces someone to complete a credit application.
- A few days later, consumer gets call from dealer saying that he is delivering vehicle to him on the rez.
- Signs contract in Bashas' parking lot, dealer takes consumer's "trade-in."

PROBLEMS

- Too expensive.
- Consumer can't afford it.
- Consumer doesn't really want it.
- "Trade-in" not actually a trade-in.

NAVAJO NATION CONSUMER PROTECTION ACT

- 5 N.N.C. §§1101-1161.
- Enacted in 1999.
- Prohibits Unfair and Deceptive Trade Practices. 5 N.N.C. § 1103(D).
- Prohibits Unconscionable Trade Practices. 5 N.N.C. § 1103(E).

RIGHT TO CANCEL Door-to-Door Sale

- NNCPA requires that the dealer give three-day right to cancel in all door-to-door sales 5 NNC § 1109(A).
- If no right to cancel is given, then consumer's right to cancel is extended. 5 N.N.C. § 1109(B).

Why is this a door-to-door sale?

- Dealer solicits sale and buyer's agreement or offer to purchase is made at place other than the primary place of business of the seller. 5 NNC § 1109(C)(3).
- What if consumer goes to dealership and then dealer delivers car to rez and contract is signed on rez?

Improvident Extension of Credit

- Unconscionable trade practice under NNCPA. 5 N.N.C. 1103(E)(5).

Dealer Name: [REDACTED]
 Dealer Phone #: [REDACTED]
 Dealer Fax #: [REDACTED]

dealertrack technologies **djt**

PLEASE PRINT - INCOMPLETE APPLICATIONS WILL NOT BE PROCESSED.

INSTRUCTIONS:
 You may apply for credit in your name alone, whether or not you are married.
 (1) Please indicate whether you are applying for: (a) Individual Credit ☐ Joint Credit ☐
 (2) ☐ If you are applying for joint credit with another person, complete sections A and B.
 (3) ☐ If you are applying for individual credit in your name and relying on your own income or assets and not the income or assets of another person as the basis for repayment of the credit requested, complete only Section A.
 (4) ☐ If you are married and live in a community property state, please complete Section A about yourself and Section B about your spouse. You must sign this application. Your spouse must sign this application only if s/he wishes to be a Co-Applicant.

A. APPLICANT INFORMATION

Last Name: [REDACTED] First Name: [REDACTED] Middle Initial: [REDACTED] Social Security Number: [REDACTED] Birth Date: [REDACTED]
 Address: [REDACTED] Apt # / Suite # [REDACTED] P.O. Box [REDACTED] Rural Route [REDACTED] City: [REDACTED] State: [REDACTED] Zip: [REDACTED]
 Home Phone: [REDACTED] Cell Phone: [REDACTED] Residential Status: ☒ Homeowner ☐ Rent ☐ Family ☐ Other ☐ Yes ☐ No ☐ How Long: [REDACTED] Yrs. [REDACTED] Mos. Rent/Mo. Pmt. \$: 0.00
 E-Mail Address: [REDACTED] Driver's License No. [REDACTED] Driver's License State: [REDACTED] Time at Previous Address: [REDACTED] Yrs. [REDACTED] Mos. State: [REDACTED] Zip: [REDACTED]
 Previous Full Address (if less than 2 years): [REDACTED] Apt # / Suite # [REDACTED] P.O. Box [REDACTED] Rural Route [REDACTED] City: [REDACTED] State: [REDACTED] Zip: [REDACTED]
 Employer Name: [REDACTED] Employment Type: ☐ Employed ☐ Unemployed ☐ Self-employed ☐ Military ☒ Retired ☐ Student ☐ Other
 Salary: [REDACTED] Salary Type: ☐ Weekly ☐ Bi-Weekly ☒ Monthly ☐ Annually ☐ Occupation: [REDACTED] Length of Employment: [REDACTED] Yrs. [REDACTED] Mos. Work Phone Number: [REDACTED]
 Previous Employer Name: [REDACTED] Previous Employment Type: ☐ Employed ☐ Unemployed ☐ Self-employed ☐ Military ☐ Retired ☐ Student ☐ Other
 Previous Occupation: [REDACTED] Length of Employment: [REDACTED] Yrs. [REDACTED] Mos. Previous Work Phone Number: [REDACTED]
 Other Income (Monthly): [REDACTED] Source of Other Income: [REDACTED]
 Other Income (Monthly): 0.00

B. CO-APPLICANT INFORMATION

Last Name: [REDACTED] First Name: [REDACTED] Middle Initial: [REDACTED] Social Security Number: [REDACTED] Birth Date: [REDACTED] Relationship: [REDACTED]
 Address: [REDACTED] Apt # / Suite # [REDACTED] P.O. Box [REDACTED] Rural Route [REDACTED] City: [REDACTED] State: [REDACTED] Zip: [REDACTED]
 Home Phone: [REDACTED] Cell Phone: [REDACTED] Residential Status: ☐ Homeowner ☐ Rent ☐ Family ☐ Other ☐ Yes ☐ No ☐ How Long: [REDACTED] Yrs. [REDACTED] Mos. Rent/Mo. Pmt. \$: [REDACTED]
 E-Mail Address: [REDACTED] Driver's License No. [REDACTED] Driver's License State: [REDACTED] Time at Previous Address: [REDACTED] Yrs. [REDACTED] Mos. State: [REDACTED] Zip: [REDACTED]
 Previous Full Address (if less than 2 years): [REDACTED] Apt # / Suite # [REDACTED] P.O. Box [REDACTED] Rural Route [REDACTED] City: [REDACTED] State: [REDACTED] Zip: [REDACTED]
 Employer Name: [REDACTED] Employment Type: ☐ Employed ☐ Unemployed ☐ Self-employed ☐ Military ☐ Retired ☐ Student ☐ Other
 Salary: [REDACTED] Salary Type: ☐ Weekly ☐ Bi-Weekly ☐ Monthly ☐ Annually ☐ Occupation: [REDACTED] Length of Employment: [REDACTED] Yrs. [REDACTED] Mos. Work Phone Number: [REDACTED]
 Previous Employer Name: [REDACTED] Previous Employment Type: ☐ Employed ☐ Unemployed ☐ Self-employed ☐ Military ☐ Retired ☐ Student ☐ Other
 Previous Occupation: [REDACTED] Length of Employment: [REDACTED] Yrs. [REDACTED] Mos. Previous Work Phone Number: [REDACTED]
 Other Income (Monthly): [REDACTED] Source of Other Income: [REDACTED]
 Other Income (Monthly): [REDACTED]

Comments: \$2000 Warranty \$255 Gap

I consent to receive automated, pre-recorded and artificial voice telemarketing and sales calls and text messages from or on behalf of dealer (or any financing source to which dealer assigns my contract) at the telephone number(s) provided in this credit application, including any cell phone numbers. I understand that this consent is not a condition of purchase or credit.

Conversion

Overcharge of MVD Fees

- Deceptive Practice Under 5 N.N.C. 1103(D).

STOCK NO. <u>K08723</u>		MOTOR VEHICLE RETAIL INSTALLMENT SALES CONTRACT AND PURCHASE MONEY SECURITY AGREEMENT																									
Buyer(s)/Debtor(s): <u>[REDACTED]</u>		Seller/Creditor: <u>[REDACTED]</u>																									
Address: <u>[REDACTED]</u>		Address: <u>[REDACTED]</u>																									
<p>This is an agreement for the installment purchase by you of the Vehicle described below. As used in this Contract, the words "you" and "your" mean the Buyer or Buyers sign below. The words "we", "us", "our", and "Seller" refer to the Seller whose name and address appears above or to anyone to whom this Contract is assigned (referred to as "Assignee"). If the Assignee notifies you that it has purchased this Contract, you agree to make all of your payments to the Assignee. This sale is subject to approval of your credit by us and acceptance of this Contract by an Assignee. BY SIGNING BELOW, YOU ALSO AGREE TO ALL OF THE TERMS ON BOTH SIDES OF THIS CONTRACT. PLEASE READ THE BACK CAREFULLY.</p> <p>The Vehicle which you are purchasing is a:</p> <table border="1"> <tr> <th>NEW OR USED</th> <th>YEAR</th> <th>MAKE</th> <th>NO. CYL.</th> <th>BODY TYPE</th> <th>MODEL # OR SERIES</th> <th>VEHICLE I.D.#</th> </tr> <tr> <td>N</td> <td>2008</td> <td>KIA</td> <td>6</td> <td>LS</td> <td>SOBATO</td> <td>[REDACTED]</td> </tr> </table>				NEW OR USED	YEAR	MAKE	NO. CYL.	BODY TYPE	MODEL # OR SERIES	VEHICLE I.D.#	N	2008	KIA	6	LS	SOBATO	[REDACTED]										
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N	2008	KIA	6	LS	SOBATO	[REDACTED]																					
<p>You intend to use the Vehicle primarily for: <input checked="" type="checkbox"/> personal, family, or household purposes ("personal use") <input type="checkbox"/> commercial, business, agricultural, or other non-personal ("commercial use").</p>																											
<p>ANNUAL PERCENTAGE RATE 10.8500 %</p> <p>FINANCE CHARGE The dollar amount the credit will cost you. \$ 10322.16</p> <p>The amount of credit provided to you or on your behalf. \$ 27818.38</p> <p>Total of Payments The amount you will have paid after you have made all payments as scheduled. \$ 38140.56</p> <p>Total Sale Price The total cost of your purchase on credit including your down payment of \$ 5000.00. \$ 43140.56</p> <p><i>e means an estimate</i></p>		<p>Number of Payments: 72 Amount of Payments: 529.72 Your payment schedule will be: Monthly, Beginning 10/30/2008</p> <p>Insurance: CREDIT LIFE INSURANCE AND CREDIT DISABILITY INSURANCE ARE NOT REQUIRED TO OBTAIN CREDIT, AND WILL NOT BE PROVIDED UNLESS YOU SIGN AND AGREE TO PAY THE ADDITIONAL COST.</p> <table border="1"> <thead> <tr> <th>Type</th> <th>Term</th> <th>Premium</th> <th>Signature</th> </tr> </thead> <tbody> <tr> <td>Credit Life Insurance</td> <td>mos.</td> <td>\$ N/A</td> <td>I want credit life insurance only</td> </tr> <tr> <td>Disability Insurance</td> <td>mos.</td> <td>\$ N/A</td> <td>I want disability insurance only</td> </tr> <tr> <td>Credit Life and Disability</td> <td>mos.</td> <td>\$ N/A</td> <td>I want credit life and disability insurance</td> </tr> <tr> <td>Joint Credit Life Insurance</td> <td>mos.</td> <td>\$ N/A</td> <td>We want joint credit life insurance</td> </tr> <tr> <td>Joint Credit Life and Single Disability Insurance</td> <td>mos.</td> <td>\$ N/A</td> <td>We want joint credit life and single disability insurance</td> </tr> </tbody> </table> <p>Security: You are giving a security interest in the Vehicle being purchased. Late Charge: If the Vehicle is purchased for personal use, and a payment is not paid in full within 10 days after it is due, you will pay a late charge of the lesser of \$10.00 or 5% of the unpaid balance of the installment. Default: If you pay off early, you will not have to pay a penalty. Assignment: If you pay off early, you will not have to pay a penalty. See the other portions of this Contract for additional information about non-payment, default, any required repayment in full before the scheduled date, and prepayment refunds and penalties.</p>		Type	Term	Premium	Signature	Credit Life Insurance	mos.	\$ N/A	I want credit life insurance only	Disability Insurance	mos.	\$ N/A	I want disability insurance only	Credit Life and Disability	mos.	\$ N/A	I want credit life and disability insurance	Joint Credit Life Insurance	mos.	\$ N/A	We want joint credit life insurance	Joint Credit Life and Single Disability Insurance	mos.	\$ N/A	We want joint credit life and single disability insurance
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<p>ITEMIZATION OF AMOUNT FINANCED</p> <p>1. Cash Price (incl. accessories) \$ 31960.00 + Sales Tax \$ 550.38 = Total Cash Price \$ 32510.38 (1)</p> <p>2. Net Trade-In Deficiency (Item 5 if negative) \$ N/A to \$ 0 = Total Cash Price \$ 32510.38 (1)</p> <p>3. Other charges included in this sale: (a) Dealer Documentary Fee \$ 0 to \$ 0 \$ 250.00 (2)</p> <p>4. Cash Sale Price (sum of Items 1, 2 and 3) \$ 32510.38 (3)</p> <p>5. Trade-In: (a) Net Trade-In (Item 5) (if negative, insert 50) \$ 0.00 (4)</p> <p>6. Total Down Payment (includes (a) Net Trade-In (Item 5) (if negative, insert 50) \$ 0.00 assigned to Seller) \$ 5000.00 (5)</p> <p>7. Unpaid balance of Cash Sale Price (Item 4 less item 6) \$ 27510.38 (6)</p> <p>8. Payments made to others on your behalf: \$ 27818.38 (7)</p>																											

Actual Amounts Paid

Motor Vehicle Division
ADOT
96-0336A PG2208 www.azdot.gov

ARIZONA VEHICLE REGISTRATION
Print Date/Time: 09/23/2008 14:47
Carry In Vehicle At All Times

Expiration Date: 09/15/2009

Vehicle Identification Number: [REDACTED]
Record Number: 06172931
Plate Number: [REDACTED]
Tab Number: [REDACTED]
Unit Number: [REDACTED]
Year / Make: 2008 KIA
Body Style: 4DSW
First Registered: 10/2008
List Price: 024195
Fuel Type: G
Category: A
Weight (GVW): [REDACTED]
County: NAVAJO
Registration Type: FUL

Registration: \$5.00
Air Quality: \$1.50
Title: \$4.00
Postage/Handling: \$2.00

TOTAL: \$15.50

Right to Cancel For Used Cars

- Motor Vehicle Consumer Protection Act.
- 7 N.N.C. §§1158-1160.
- Dealer must give ten-day right to cancel.
- Dealer may charge thirty cents per mile.

Finance Charge Limitations

- 5 N.N.C. § 1153-1156.
- Limitation on interest rate. 5 N.N.C. § 1155.
- Private remedies. 5 N.N.C. § 1156.
 - Complete defense
 - Statutory damages

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