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Uniform Commercial Credit Code of Utah

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FORWARD

This research paper, entitled "Uniform Commercial Credit Code of Utah" has been written to take an inside look at the Consumer Credit Laws, layman's language as opposed to legal language when dealing with loans and sales and credit enforcement.

Whether by chance or choice each of us will deal with some form of credit in our lives. This report will help the average American take a serious look at what he is actually signing his name to and to realize the responsibility he holds as a consumer. It will assist the uninformed gain a knowledge of credit and credit terms.

This paper takes a look at six major areas. These include; (1) Obtaining Credit; (2) Installment Sales and Loans; (3) Revolving Charge Accounts; (4) Interest Rates; (5) Sales Practices; and (6) Administration and Enforcement.

I hope this paper will help the uninformed consumer gain a knowledge of consumer credit laws and issues which he is faced with daily.

Karen Robinson

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ABSTRACT

Although our country is said to be free, we live primarily on credit, and we are bound to financial obligations. Each of us deals with credit in our everyday lives, yet most people know very little concerning their rights and the laws dealing with credit. A discussion of credit laws contained in the Utah Uniform Consumer Credit Code, complicated legal language versus layman's language in loans and sales, and enforcement will be presented in this paper.

Following the report, there is a conclusion which summarizes the points presented and explains why I believe the American public needs a mass education in consumer credit. A bibliography concludes the paper.

Report
UNIFORM COMMERCIAL CREDIT CODE OF UTAH

I. INTRODUCTION

"In recognition of the need for enlightened regulation of the consumer finance industry, the Council of State Governments in 1957, asked the National Conference of Commissioners of Uniform State Laws to produce a model consumer credit legislation."¹

The commissioners responded in 1966 with the first draft of the Uniform Consumer Credit Code ("UCCC"). On March 20, 1969 Utah became the first state to adopt the Uniform Commercial Credit Code, a comprehensive statute governing credit sales and loans within the state.

This paper takes a look at the various laws and regulations governed through the UCCC. Not all of the elements of the UCCC are examined, rather the focus is upon six major areas (1) Obtaining Credit, (2) Installment Sales and Loans, (3) Revolving Charge Accounts, (4) Interest Rates, (5) Sales Practices, and (6) Administration and Enforcement.

In recent history American businessmen have been riding a wave of activity in consumer credit. This growth in activity has resulted in a higher standard of living due to the fact that availability and quality of consumer goods are easier to come by for the average American.

¹The Uniform Consumer Credit Code of National Conference of Commissioners of Uniform State Laws, 1969. Cited in Utah Legislative Survey - The UCCC in Utah, 1970 Utah Law Review p. 91-92. No. 6.

The growth of consumer credit since 1939 can be charted in the foregoing statistics from the Federal Reserve Board of Governors:

1939 -	\$7,222,000,000
1956 -	\$24,334,000,000
1963 -	\$71,739,000,000
1968 -	\$113,191,000,000

Legislators have found it difficult to keep atop the problems the growth in credit has caused. Recently response to these problems from both national and state levels has come. The Consumer Credit Protection Act (CCPA) was signed as law on May 29, 1968. Subchapter I of the CCPA contains the Truth in Lending Act. It requires disclosure of terms in a consumer credit transaction.

"Analysis of the Code and it's operation in Utah reveals at least one basic fact. The UCCC intrudes on absolute freedom to contract and imposes substantial burdens on businesses, which in turn pass those burdens on to consumers. If the protections were more complete and effective, the costs, although they might even increase somewhat, would be justified and the consumer would get what he is paying for. As it is, the Code gives the appearance of protection but not the substance."²

Throughout the paper a specific vocabulary is used and referred to often.

1) "Credit" - means the right granted by a creditor to a debtor to incur debts, purchase property and services and defer payment for them.

²Utah Law Review, Winter, Volume 1972, Salt Lake City, Utah 1972

2) "Creditor" - means any person who regularly extends, renews or continues credit.

3) "Person" - means a natural person, a corporation, government, agency, trust, estate, partnership or association.

4) "Debtor" - means any person who agrees under contract to return payment for said monies.

II. OBTAINING CREDIT

Application

Applicants wishing to obtain credit must be of legal age and sound mind; otherwise a co-signer is needed. The UCCC states that the applicant must be notified (unless otherwise noted) within 30 days of the credit application date as to whether credit will be granted or denied.

Credit Discrimination

Chapter 11 70B-11-101 of the UCCC states:

- (1) "It shall be unlawful for any creditor to discriminate against any applicant, with respect to any aspect of a credit transaction -
 - (a) on the basis of race, color, religion, national origin, sex, marital status, or age (provided the applicant has the capacity to contract):
 - (b) because all or part of the applicant's income derives from any public assistance program; or
 - (c) because the applicant has in good faith exercised any right under the Federal Consumer Credit Protection Act or the Utah Uniform Consumer Credit Code."³
- (2) It shall not constitute discrimination for a creditor to make an inquiry of:
 - (a) marital status (concerning credit worthiness)
 - (b) age (consider the elderly hazardous physically and mentally)
 - (c) whether the applicant's income derives from public programs and the amount of applicant's income.
- (3) It is not considered discrimination for a creditor to refuse credit to:
 - (a) economically disadvantaged class of persons;

³Utah Code Annotated 1953, Replacement Volume 7B, 1980 Edition. The Allen Smith Company Publishers, Indianapolis, Indiana 46202

- (b) credit to a non-profit organization to help the economically disadvantaged.
 - (c) credit offered by profit organizations which meet social needs.
- (4) (a) Within 30 days after receipt of a completed application for credit, a creditor shall notify the applicant of its action on the application.
- (b) Each applicant against whom adverse action is taken shall be entitled to a statement of reasons for such action from the creditor. A creditor satisfied this obligation by -
- (i) providing statements of reasons in writing as a matter of course to applicants against whom adverse action is taken; or
 - (ii) giving written notification of adverse action which discloses the applicant's right to a statement of reasons within 30 days after receipt by the creditor of a request made within 60 days after such notification, and the identity of the person or office from which such statement may be obtained. Such statement may be given orally if the written notification advises the applicant of his right to have the statement of reason confirmed in writing on written request.
- (c) A statement of reasons meets the requirements of this section only if it contains the specific reasons for the adverse action taken.
- (d) Where a creditor has been requested by a third party to make a specific extension of credit directly or indirectly to an applicant, the notification and statement of reasons required by this subsection may be made directly by such creditor, or indirectly through the third party, provided in either case that the identity of the creditor is disclosed.
- (e) The requirements of subsection (b), (c), or (d) may be satisfied by verbal statements or notifications in the case of any creditor who did not act on more than 150 applications during the calendar year preceding the calendar year in which the adverse action is taken, as determined under regulations of the administrator.
- (f) For purposes of this subsection, the term "adverse action" means a denial or revocation of credit, a change in the terms of an existing credit arrangement, or a refusal to grant credit in substantially the amount or on substantially the terms requested. Such term does not include a refusal to extend additional credit under an existing credit

arrangement where the applicant is delinquent or otherwise in default, or where such additional credit would exceed a previously established credit limit.⁴

Often credit is granted to married persons on a separate basis. For such credit the UCCC states :

70B-11-104. Nondiscrimination - Separate credit - Election of remedies.

- (1) A request for the signature of both parties to a marriage for the purpose of creating a valid lien, passing clear title, waiving inchoate rights to property, or assigning earnings, shall not constitute discrimination under this title; but this provision shall not be construed to permit a creditor to take sex or marital status into account in connection with the evaluation of creditworthiness of any applicant.
- (2) Consideration or application of statutory property laws directly or indirectly affecting creditworthiness shall not constitute discrimination for purposes of this chapter.
- (3) Any provision of statutory law which prohibits the separate extension of consumer credit to each party to a marriage shall not apply in any case where each party to a marriage voluntarily applies for separate credit from the same creditor; but in any case where such statutory law is so preempted, each party to the marriage shall be solely responsible for the debt so contracted.
- (4) When each party to a marriage separately and voluntarily applies for and obtains separate credit accounts with the same creditor, those accounts shall not be aggregated or otherwise combined for purposes of determining permissible finance charges or permissible loan ceilings under the laws of this state or of the United States.
- (5) Except as otherwise provided in this chapter, the applicant shall have the option of pursuing remedies under this chapter in lieu of, but not in addition to, the remedies provided by Title VII of the Federal Consumer Credit Protection Act for actions which violate both Title VII of the Federal Consumer Credit Protection Act and this chapter.⁵

⁴Peoples First Thrift Installment Sale and Security Agreement

⁵Consumer and Commercial Credit, Installment Sales, Vol. 3, Prentice-Hall 1964.

Credit is set up in such a way that the more a person spends and uses, the more the credit rating is increased to that person. Our society is so dependent upon credit that a good credit rating is needed even if buying is not done with credit.

Credit Disclosure

The disclosure provisions of the UCCC are intended to provide the consumer with standardized understandable information regarding all terms of a credit transaction. These provisions are located in the "Truth in Lending" Act, Section One of the CCPA. These disclosure provisions require (in a nonrevolving credit transaction) that the lenders provide the buyer with a complete description of the terms of the contract, all additional charges, the total amount due, and the annual percentage rate or finance charge. In revolving credit transactions the provisions are the same as those for the nonrevolving transaction with the addition of information regarding the computation or method used in computing the balance, service charges, and other details pertaining to the billing cycle.

"Many Utah lenders and retailers agree that, apart from a slight increase in the number of consumers who evince a concern for and awareness of interest rates, the disclosure provisions have had very little actual impact on the consumer. On the other hand, many businessmen argue that the impact on them in terms of the increased cost of meeting state and federal requirements has been at least noticeable if not burdensome. Notwithstanding increased costs, some believe that banks benefited from disclosure provisions because those people who did shop discovered that banks generally charge less than other types of institutions."⁶

It would seem that disclosure would be a step in the right direction, yet it has not affected the market greatly, and the average American consumer seems usually unconcerned or too ignorant to understand the terms stated in the contract.

⁶Utah Law Review, Winter, Volume 1972, Salt Lake City, Utah 1972.

Disclosure alone is not enough. Mass education in consumerism of particularly the poor, young and old is necessary to make disclosure meaningful and worth the cost.

III. INSTALLMENT LOANS AND SALES - CREDIT LAWS

As stated earlier because of complicated legal language it is difficult for the average consumer to understand the terms stated in a contract. This section takes a look at the complicated phrasology used in contracts versus the layman's language.

Late Charges

"LATE CHARGES may be imposed as to any installment not paid in full within 10 days after its due date at the rate not to exceed the greater of (1) an amount which is 5% of the unpaid amount of the installment or (2) An amount equal to the annual percentage rate stated herein, times the installment amount from the due date until date of payment, counting each day as 1/30th of a month. Reasonable attorney's fees, legal expenses and⁷ lawful collection costs incurred after default may also be imposed."

The creator may charge a late fee if the debtor is 10 days late, and if the debtor doesn't pay on time just once, he will be charged a late fee on all other payments. The debtor agrees, in addition, to pay for an attorney, all legal fees, and lawful collections against himself.

Prepayment

"PREPAYMENT REBATE - Buyer may prepay his obligations under the contract in full at any time prior to maturity of the final installment hereunder, and if he does so, shall receive a rebate of the unearned portion of the Finance Charge computed, under the sum of the digits method subject to retention by Seller of a minimum finance charge of \$5.00 if the amount financed does not exceed \$75.00, or \$7.50 if the amount financed exceeds \$75.00.⁸ No rebate will be made if the amount thereof is less than \$1.00."

The debtor may pay his debt in advance at any time prior to the final payment. If he does a rebate will be given on the basis of the interest calculated on the unpaid balance. The finance company may retain 10% of the finance charge to be rebated. No rebate will be made for less than \$1.00.

⁷Collett's Furniture, Installment Sale and Security Agreement.

Collateral

"COLLATERAL - Buyer agrees that seller has retained title to and a security interest in the property described above and all additions and accessions thereto (the "Collateral")⁹ as security for Buyer's obligations under this Agreement."

Debtor agrees that creditor has title and rights to the property listed, along with any other additions as security for loan until final payment is made under the loan agreement.

The UCCC restricts the above from happening by defining the limits and nature of permissible security. Generally only the property sold or leased can be used as security.

Persons Bound

"PERSONS BOUND - Each person signing this Agreement, other than Seller, is a Buyer and the obligations of all Buyers are joint and several."¹⁰

Each person signing the agreement is considered a debtor and may be treated as such if a payment is missed or other problems arise.

Add On Agreement

"IF THIS IS AN ADD-ON AGREEMENT THE FOLLOWING PROVISIONS ALSO APPLY: -Buyer understands and agrees that the Unpaid Balance of cash price on the goods purchased hereunder has been added to the Balance on Prior Agreements Less Refund of finance charge and the deferred payment price hereunder has been computed on the amount financed. The Prior Agreements referred to are those on which there is still an unpaid balance. Buyer agrees to any change in the amount and schedule of payments under Prior Agreements which might occur with consolidation. If any of the Prior Agreements has heretofore been assigned, Seller has reacquired the assignee's interest therein. All payments made hereafter by Buyer shall be applied to the Total of Payments shown above. Buyer understands and agrees that the goods purchased under Prior Agreements which

⁹ Peoples First Thrift Installment Sale and Security Agreement.

¹⁰ Collett's Furniture, Installment Sale and Security Agreement.

are not paid for at the date hereof shall become cross-collateral as security for this agreement and shall continue to be subject to the provisions thereof, and the security interest granted Seller thereby shall continue. Title to such goods shall not pass until the portion of the amount financed applicable to such property is paid. SELLER BY THIS AGREEMENT CLAIMS NO SECURITY INTEREST IN THOSE ITEMS WHICH HAVE BEEN PAID FOR UNDER THE PROVISIONS OF THE PREVIOUS AGREEMENT."¹¹

In the event an add on is needed the creditor will add the unpaid balance of the previous bill to the new and forthcoming debt. The debtor agrees to any changes made in the amount and the schedule of payment upon consolidation of the two debts. Debtor understands all goods purchased are under previous agreement and the security still lies with the creditor. The creditor agrees that he has no claim or security on those items which have already been paid for.

Filing

"FILING - Buyer warrants that there is no financing statement now on file in any public office covering any of the Collateral or any of the proceeds thereof and so long as any of the Obligations remain unpaid. Buyer will not execute or file a financing statement or security agreement covering the Collateral to any one other than Seller. Buyer agrees to sign and deliver one or more financing statements or supplements thereto or other instruments as Seller may from time to time require to comply with the Utah Uniform Commercial Code or other applicable law or to preserve, protect, and enforce the security interest of Seller and to pay all cost of filing such statement or instruments. Seller is authorized to sign such statements or instruments for Buyer."¹²

Debtor promises there is no statement having claim to the above collateral in any public office, and periodically the debtor agrees to sign and file a supplement to the creditor to preserve, protect and enforce the security of the seller. The debtor agrees to pay all costs of filing and authorizes the creditor to sign such statements.

¹¹ Peoples First Thrift Installment Sale and Security Agreement.

¹² Ibid.

Care of Property

"CARE OF PROPERTY - Buyer shall: keep the Collateral in good repair and be responsible for any loss or damage to it; keep it free from all liens, encumbrances and security interests; pay when due all taxes, licence fees and other charges upon it; not sell, misuse, conceal or in any way dispose of it or permit it to be used unlawfully or for hire or contrary to the provisions of any insurance coverage; not permit it to become a fixture or an accession to other goods except as specifically authorized in writing by Seller. Loss of or damage to the Collateral shall not release Buyer from any of the Obligations."¹³

Debtor agrees to keep the collateral in good repair and pay all fees and additional charges on it. If the collateral is broken or lost debtor agrees to finish the payments and buy it regardless of what has happened.

Insurance

(Nonrevolving Credit Plan)

"INSURANCE - Buyer agrees, at his expense, to insure the Collateral against loss, damage, theft (and such other risks as Seller may require) to the full insurable value thereof with insurance companies and under policies and in form satisfactory to Seller. Proceeds from the insurance shall be payable to Assignee as its interest may appear and all policies shall provide for 10 days minimum written cancellation notice to Seller. Upon request, policies or certificates attesting the coverage shall be deposited with Seller. Insurance proceeds may be applied by Seller toward payment of any of the Obligations, whether or not due, in such order of application as Seller may determine."¹⁴

Debtor promises to retain insurance for the collateral against loss, damage of theft. Creditor will be notified upon cancellation of the policy and any proceed may go towards any other obligation or payment the creditor has.

¹³Peoples First Thrift Installment Sale and Security Agreement.

¹⁴Ibid.

(Revolving Credit)

"INSURANCE OPTIONS: Although insurance is not required under this revolving charge plan, the Seller or its assignee will procure one of the following insurance plans for the Buyer (hereinafter called "Accountholder") who elects and qualified for such insurance: - Single Credit Life and Accountholder Disability insurance with Property Insurance or Joint Credit Life and Accountholder Disability Insurance with Property Insurance."¹⁵

Although by law insurance is not required for this particular credit plan, the creditor is requiring the debtor to carry insurance which the creditor will select.

Right to Protect

"RIGHT TO PROTECT - If Buyer fails to make any payments or perform any act required by this Agreement or which Seller deems advisable to preserve the Collateral or the priority or perfection of the Seller's security interest, Seller may advance funds for the same and such advances shall by one of the Obligations secured hereby and shall be immediately payable with a finance charge at the annual percentage rate applicable to this transaction under the Utah Consumer Credit Code."¹⁶

If debtor fails to perform any act agreed upon and which the creditor deems necessary to secure the collateral, the creditor may call for total payment of the loan immediately with a finance charge at the annual percentage rate added.

Default

DEFAULT - Buyer shall be in default hereunder if any of the following events occur: (1) Buyer fails to pay any of the Obligations when due; (2) Buyer fails to perform any undertaking or breaches any warranty in this Agreement or in any of the Obligations; (3) any statement representation or warranty of Buyer herein or in any other writing at any time furnished by Buyer to Seller in untrue in any material respect when made; (4) Buyer becomes insolvent or unable to pay debts as they mature or makes an assignment for the

¹⁵General Electric Credit Corporation Revolving Charge Account Agreement.

¹⁶Peoples First Thrift Installment Sale and Security Agreement.

benefit of creditors or any proceeding is instituted by or against Buyer alleging that Buyer is insolvent or unable to pay debts as they mature; (5) entry of any judgment against Buyer; (6) death of Buyer who is a natural person or of any partner of Buyer which is a partnership; (7) dissolution, merger or consolidation or transfer of a substantial part of the property of Buyer which is a corporation or a partnership; (8) an attachment, garnishment, execution or other process is issued or a lien filed against any property of Buyer; (9) transfer of any interest in any of the Collateral without the written consent of Assignee; (10) any of the Collateral is lost, stolen or materially damaged; (11) Seller shall deem itself insecure for any reason whatsoever."

Debtor shall be at fault if any of the following occur: (1) If buyer misses a payment; (2) If debtor fails to perform as promised in the above agreement; (3) If any statements or materials given by buyer are untrue; (4) Debtor is unable to pay debt; (5) If any bad decisions are made against debtor; (6) Death of debtor; (7) Consolidation of collateral by the debtor; (8) If any form of garnishment is necessary; (9) Transfer of interest in collateral without consent of the debtor; (10) Any of the collateral is lost, stolen or materially damaged; (11) Creditor feels insecure about debtor at any time.

Remedies and Penalties

"REMEDIES - Upon the occurrence of any default hereunder and at any time thereafter, all of the Obligations shall, at the election of Seller and without notice of such election, become immediately due and payable and Seller shall have the remedies of a secured party under the Utah Uniform Commercial Code or other applicable law, and: (1) Seller shall have the right to enter upon any premises where the Collateral may be and take possession thereof; Buyer shall, if requested by Seller, assemble the Collateral at a place designated by Seller; Seller may sell, lease or otherwise dispose of any or all of the Collateral and, after deducting the expenses incurred by Seller, including reasonable attorney's fees and legal expenses, apply the residue to pay (or to hold as a reserve against)

¹⁷ Peoples First Thrift Installment Sale and Security Agreement.

the Obligation; Seller may give any notice to Buyer required by law by mailing such notice, postage prepaid, at least 5 days before the event to any address of Buyer set forth in this Agreement; and (2) Seller shall have the right immediately and without prior notice to demand to setoff against the Obligations, whether or not due, all money or other amounts owed by Seller in any capacity to Buyer; and Seller shall be deemed to have exercised such right of setoff and to have made a charge against any such money or amounts immediately upon occurrence of such default even though such charge is entered on the books of Seller subsequent thereto."¹⁸

When default occurs all obligation of the debtor may be due immediately upon request by the creditor., and: (1) Creditor has the right to enter any place where the collateral may be and take possession of it. If the creditor requests, debtor will collect collateral and take it to a designated place. Creditor may sell collateral and charge debtor for remaining expense and add any additional attorney fees or legal expenses. Creditor may give any such notice to debtor 5 days in advance and mail to given address; (2) Creditor can call for total payment of all debts immediately and without prior notice.

Garnishment

In past history heavy appreciation of garnishment laws have often led to the loss of debtor's employment and made him unable to handle other debts. This resulted in serious social problems. The UCCC severely changed and limited the practice of wage garnishment in three areas: (1) elimination of garnishment before judgment, (2) limitation of the percentage amount of wages which may be garnished, (3) and prohibition of discharge of an employee whose wages have been garnished."¹⁹

¹⁸ Peoples First Thrift Installment Sale and Security Agreement.

¹⁹ Utah Law Review, Winter Volume 1972, Salt Lake City, Utah 1972.

The UCCC allows any employee who has been discharged because of garnishment reinstatement and payment of up to six weeks lost wages. The code also authorized the award of attorney's fees to any debtor who successfully prosecutes a creditor for violation against the code.

Holder in Due Course

"Certainly some of the most heralded and, for some, long over due provisions of the code pertain to the preservation of the buyer's defenses against the holders."²⁰

Holder in due course protects the buyer from taking items with defects, prevents the creditor from taking that other than a check for payment yet has a large loophole known as the "direct loan loophole". Through this loophole lenders refer buyers to certain retailers and a partnership is made between the two.

One bank vice president, for example, insisted that before adoption of the code his bank deal only with "blue chip" retailers who regularly adjusted and handled buyer complaints out of their own good business sense."²¹ This bank kept those same retailers and customers, but they are high class banks. Small town businesses are usually not able to have such a situation.

²⁰Utah Law Review, Winter Volume 1972, Salt Lake City, Utah 1972.

²¹Ibid.

IV. REVOLVING CHARGE ACCOUNTS

Finances and Credit Limits

Revolving charge accounts are unlike that of nonrevolving in that a monthly finance balance is computed into the bill. Usually that being 1/24 of the highest balance since it had it's last \$0 balance, plus the amount of any property insurance premium required.

The buyer agrees that the seller may change his credit limit from time to time based on his capacity. The buyer also agrees he will not go over his credit limit. A credit limit is set and determined for the buyer by the creditor according to the buyers past credit ratings.

V. INTEREST RATES

Dealing with interest rates involves dealings with ceilings. The purpose of ceilings is to "set ceilings and not to fix rates".²² The UCCC consolidated rates with a uniform maximum ceiling on credit charges and loan charges which eventually equals out to higher rates than the ceilings authorized by Utah before the UCCC came into effect. "On non-revolving credit, the basic maximum rate is 18 percent simple annual interest with higher rates on loans of less than \$1000. Interest is calculated on the unpaid balance of the principal. For revolving credit, the ceiling is two percent per month up to \$500 and 1½ percent per month above \$500."²³

The UCCC permits rates to be set by competition within the bounds established by the ceiling.

"On nonrevolving credit, the billing statement must include a complete description of the terms with all additional charges, the total amount due under the contract, and the annual percentage rate of the credit service or loan finance charges. On revolving credit and credit card sales, the buyer must be notified of the annual percentage rate of the credit service charge when the account is first opened, and a simple explanation must be repeated in the periodic statement. On consumer leases, a complete and accurate description of all charges must be presented to the lessee."

²²Utah Code Annotated 1953, Replacement Volume 7B, 1980 Edition. The Allen Smith Company Publishers, Indianapolis, Indiana 46202.

²³Utah Law Review, Volume 1970, Salt Lake City, Utah 1970.

VI SALES PRACTICES

Because the environment of the home is especially good for high pressure sales and home soliciting the UCCC recognized a need for a consumer protection law regarding such a sale.

"Buyer's Right to Cancel" states the buyer has three business days to cancel the sale. However, this law has not had a great impact on the home solicitor because the average American is not aware of their rights and they are ignorant to the language used in such an agreement or sale. To make sure the buyer doesn't take advantage of this law, the seller is allowed up to 5% cash price of the article sold or returned.

The UCCC found it necessary to eliminate the referral of sales in home solicitation. Before this law came into effect local encyclopedia, vacuum or cookware salesmen would give the buyer an additional gift if any referral or prospective purchaser's name was given to the seller. Under the new law 70B-2-411 the seller, in a consumer credit sale may not offer or give anything of any value to make the buyer furnish names of other prospective purchasers.

VII. ADMINISTRATION AND ENFORCEMENT

The Administrator of Consumer Credit has the responsibility to enforce and act upon the UCCC. The code is a difficult law to enforce because of the ignorance of the people of their rights and the law.

VIII. CONCLUSION

There have been numerous studies taken, laws passed and books written on consumer credit which is something every person has to deal with in their every day life. Even with this knowledge available the American public, as a whole, stays ignorant of this knowledge.

From this report I have concluded that a small percentage of credit buyers are now more aware of interest rates and credit matters, but the vast majority are not familiar with the basics of credit buying but are only concerned primarily with monthly payments alone, and a few may be concerned with the dollar amount of the service charge.

The majority of the laws contained within the UCCC I believe are for the benefit of the consumer. The statements and clauses used in loans and credit applications can lead an individual to serious financial difficulties if they are unaware of the meaning and responsibilities that one takes on with a mere signature.

It is my opinion that a mass education push is needed greatly in the field of consumer credit education for every age if people are to be held responsible for their own actions and dealings. Wise choices in credit use are imperative to solvent financial management by individuals or businesses.

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