

ACT No. 415

Regular Session, 2003

HOUSE BILL NO. 703

BY REPRESENTATIVE PINAC

AN ACT

To amend and reenact R.S. 6:969.26(D), relative to motor vehicle sales finance; to provide relative to gap insurance coverage; to provide relative to lenders; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 6:969.26(D) is hereby amended and reenacted to read as follows:

§969.26. Property insurance

* * *

D.(1) The seller shall and the lender may, in addition, offer the consumer the option of voluntarily purchasing gap coverage protecting the consumer from possible liability as a result of the consumer's property insurance being insufficient to fully pay and satisfy the then unpaid balance under the consumer's contract as a result of a total loss of vehicle. The cost of gap coverage may be financed under the transaction and made subject to loan finance charges or credit service charges, as applicable.

(2) Notwithstanding any other provision of law to the contrary, for purposes of this Subsection, a federally insured depository

institution at all times, including during a repossession, shall be considered a lender.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____