

1974 S.C. Op. Atty. Gen. 82 (S.C.A.G.), 1974 S.C. Op. Atty. Gen. No. 3725, 1974 WL 21243

Office of the Attorney General

State of South Carolina

Opinion No. 3725

February 23, 1974

***1 A bank that purchases retail installment contracts from a retail seller on a regular basis would be acting as a sales finance company defined in Section 46–150.32(c).**

Senator

Greenville and Laurens County

You have asked whether or not banks and banking institutions can function as a ‘sales finance company’ under the Motor Vehicle Sales Finance Act, Section 461–50.31 et seq., 1962 Code of Laws of South Carolina, 1972 Supp.

Section 46–150.32(1) defines a sales finance company as ‘. . . a person engaged in the business of purchasing from one or more sellers, retail installment contracts.’ Retail installment contracts are defined in Section 46–150.132(f):

. . . a contract entered into in this State, evidencing a retail installment transaction pursuant to which the title or lien or security interest in the motor vehicle, which is the subject matter of such transaction, is retained or taken to secure the retail buyer's obligations. The term includes a security, chattel mortgage, conditional sales contract and a contract in the form of a bailment or a lease if the bailee or leasee contracts to pay as compensation for use a sum substantially equivalent to or in excess of the value of the motor vehicle sold and it is agreed that the bailee or leasee is bound to become, or, for no further or a merely nominal consideration, has the option of becoming the owner of the motor vehicle upon full compliance with the provisions of the bailment or lease. Any such retail installment contract executed in this State shall be subject to the provisions of this article.

A bank that purchases retail installment contracts, as defined by the Motor Vehicle Sales Finance Act, from a retail seller (Section 46–150.32(c)) on a regular basis would be purchasing this paper as a motor vehicle sales finance company.

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