

70C-7-101 Restriction on deficiency judgments in consumer credit sales.

- (1) If a seller repossesses or voluntarily accepts the surrender or return of goods that were the subject of a consumer credit sale and in which the seller has a security interest to secure a debt arising from the sale of goods or services or a combined sale of goods and services, and the cash price of the sale was \$3,000 or less, any debt remaining from the sale shall be fully satisfied and the seller has no further obligation to the buyer with respect to the goods taken or accepted.
- (2) If the seller brings an action against the buyer for a debt arising from a consumer credit sale of goods or services, when under this section the creditor would not be entitled to a deficiency judgment if it repossessed the collateral, and obtains judgment:
 - (a) it may not repossess the collateral; and
 - (b) the collateral is not subject to levy or sale on execution or similar proceedings pursuant to the judgment.
- (3)
 - (a) Subsections (1) and (2) do not apply if the goods that were the subject of the sale and that secured a debt arising from a consumer credit sale are damaged to a significant degree after the goods are delivered to the buyer through no fault of the creditor.
 - (b) Subsection (2) does not apply if, after default and before the filing of an action against the buyer, the buyer fails to surrender and deliver the collateral to the creditor.
 - (c) Subsections (1) and (2) do not apply if an action taken by the buyer would make the collection of a judgment unenforceable, including the filing of bankruptcy.
- (4) Notwithstanding any other provision of this section, a creditor has no obligation to accept the surrender of collateral.

Amended by Chapter 435, 2011 General Session