

# HOUSE . . . . . No. 4979

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## The Commonwealth of Massachusetts

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HOUSE OF REPRESENTATIVES, January 28, 2026.

The committee on Consumer Protection and Professional Licensure, to whom was referred the petition (accompanied by bill, House, No. 379) of Carlos González and Attorney General Andrea Joy Campbell relative to modernizing protections for consumers in automobile transactions, reports recommending that the accompanying bill (House, No. 4979) ought to pass.

For the committee,

TACKY CHAN.

## The Commonwealth of Massachusetts

**In the One Hundred and Ninety-Fourth General Court  
(2025-2026)**

## An Act modernizing protections for consumers in automobile transactions.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1 SECTION 1. Section 7N of chapter 90 of the General Laws, as appearing in the 2024  
2 Official Edition, is hereby amended by striking out, in line 3, the words "such sale" and inserting  
3 in place thereof the following:- delivery.

4 SECTION 2. Said section 7N of said chapter 90 is hereby further amended by striking  
5 out, in lines 9 and 13, the word "sale" each time it appears and inserting in place thereof, in each  
6 instance, the following:- delivery.

7 SECTION 3 Section 7N<sup>1/4</sup> of said chapter 90 is hereby amended by striking out clauses  
8 (i), (ii), and (iii) of subsection (2)(B) and inserting in place thereof the following 3 clauses:-

9 (i) For a used motor vehicle which, at the time of sale, has been operated less than 50,000  
10 miles, 90 days or 3,750 miles, whichever occurs first. Said 90 days or 3,750 mile warranty is in  
11 addition to any right the consumer may have under section 7N½.

12 (ii) For a used motor vehicle which, at the time of sale, has been operated 50,000 miles or  
13 more, but less than 100,000 miles, 60 days or 2,500 miles, whichever first occur.

14 (iii) For a used motor vehicle which, at the time of sale, has been operated 100,000 miles  
15 or more, but less than 200,000 miles, 30 days or 1,250 miles, whichever first occur.

16 SECTION 4. Paragraph (1) of subsection (c) of section 58 of chapter 140 of the General  
17 Laws, as so appearing, is hereby amended by striking out, in line 32, the figure “\$25,000” and  
18 inserting in place thereof the following figure:- \$50,000.

19 SECTION 5. Said subsection (c) of said section 58 of said chapter 140 is hereby further  
20 amended by striking out paragraph (2) and inserting in place thereof the following:-

21 (2) Any person, or the attorney general, may make a claim for recovery against the bond  
22 for an act or omission on which the bond is conditioned if the act or omission occurred during  
23 the term of the bond. Every bond shall also provide that no claim may be made against the bond  
24 unless the claimant provides the bondholder notice of the claim within 1 year after the event  
25 giving rise to the claim.

26 SECTION 6. Said subsection (c) of said section 58 of said chapter 140 is hereby further  
27 amended by adding at the end thereof the following new paragraph:-

28 (9) The attorney general may recover from the bond or its equivalent on behalf of a  
29 person or a class of persons who suffer loss on account of clauses (i) through (vi), inclusive, of  
30 paragraph (1).

31 SECTION 7. Section 1 of chapter 255B of the General Laws is hereby amended by  
32 striking out the definition of “Holder” and inserting in place thereof the following 3 definitions:-

33           “Holder”, the retail seller of the motor vehicle under or subject to a retail installment  
34    contract, lease agreement or, if the contract is purchased by a financing agency or other assignee,  
35    the sales finance company or other assignee.

36           “Lease agreement” or “lease”, a contract, signed by the lessee in this state, that includes  
37    payment for the use of a motor vehicle for a period of time exceeding 4 months.

38           “Lessee”, a person, or any legal successor in interest to such person, who executes a lease  
39    agreement or lease on a motor vehicle for use primarily for personal, family or household  
40    purposes.

41           SECTION 8. Said section 1 of said chapter 255B is hereby further amended by striking  
42    out the definition of “retail installment contract” and inserting in place thereof the following  
43    definition:-

44           “Retail installment contract” or “contract”, an agreement, signed by the buyer in this  
45    state, pursuant to which the title to, the property in or a lien upon a motor vehicle, which is the  
46    subject matter of a retail installment sale, is retained or taken by a retail seller from a retail buyer  
47    as security, in whole or in part, for the buyer's obligation. The term includes a chattel mortgage, a  
48    conditional sales contract and a contract for the bailment of a motor vehicle by which the bailee  
49    contracts to pay as compensation for its use a sum substantially equivalent to or in excess of its  
50    value and by which it is agreed that the bailee is bound to become, or has the option of  
51    becoming, the owner of the motor vehicle upon full compliance with the terms of the contract.

52           SECTION 9. Said section 1 of said chapter 255B is hereby further amended by striking  
53    out the definition of “Retail seller” and inserting in place thereof the following definition:-

54           “Retail seller” or “seller”, a person who sells or leases a motor vehicle to a retail buyer or  
55   lessee under or subject to a retail installment contract or lease agreement.

56           SECTION 10. Said chapter 255B is hereby further amended by striking out section 20A,  
57   and inserting in place thereof the following section:-

58           Section 20A. (a) An agreement of the parties in a retail installment contract or lease  
59   agreement defining default is enforceable only to the extent that the default is material and  
60   consists of the buyer’s or lessee’s failure to make 1 or more installments as required by the  
61   agreement; or the occurrence of an event which substantially impairs the value of the collateral.

62           (b) After a default by a buyer or lessee under a consumer credit transaction or lease  
63   agreement, the secured creditor or lessor may not bring an action against the buyer or lessee or  
64   proceed against the collateral until he gives the buyer or lessee the notice described in this  
65   section. The notice so required shall be deemed to be delivered when delivered to the debtor or  
66   when mailed to the debtor at the debtor’s address last known to the creditor. If a buyer or lessee  
67   cures a default after receiving notice and again defaults, the creditor or lessor shall give another  
68   notice before bringing an action or proceeding against the collateral with respect to the  
69   subsequent default, but no notice is required in connection with a subsequent default if, within  
70   the period commencing on the date of the consumer credit transaction or lease agreement subject  
71   to this section and the date of the subsequent default, the debtor has cured a default after notice 3  
72   or more times.

73           (c) The notice shall be in writing and shall be given to the buyer or lessee 10 days or  
74   more after the default. The notice shall conspicuously state the rights of the buyer or lessee upon  
75   default in substantially the following form:—

76                   The heading shall read:—"Rights of Defaulting Buyer or Lessee under the Massachusetts  
77                   Motor Vehicle Installment Sales Act." The body of the notice shall read:—"You may cure your  
78                   default in (describe transaction in a manner enabling buyer or lessee to identify it) by paying to  
79                   (name and address of creditor or lessor) (amount due) before (date which is at 21 days after  
80                   notice is mailed). If you pay this amount within the time allowed, you are no longer in default  
81                   and may continue on with the transaction as though no default had occurred.

82                   If you do not cure your default by the date stated above, the said creditor or lessor may  
83                   sue you to obtain a judgment for the amount of the debt or, if applicable, may take possession of  
84                   the collateral.

85                   If the creditor or lessor takes possession of the collateral, if any, you may get it back by  
86                   paying the full amount of your debt plus any reasonable expenses incurred by the said creditor or  
87                   lessor if you make the required payment within 20 days after he takes possession."

88                   (d) During the 21-day period after delivery of the notice required by this section the  
89                   creditor or lessor may not because of that default accelerate the unpaid balance of the obligation,  
90                   bring action against the buyer or lessee, or proceed against the collateral.

91                   (e) Unless the secured creditor or lessor has first notified the buyer or lessee that he has  
92                   elected to accelerate the unpaid balance of the obligation because of default, brought action  
93                   against the buyer or lessee, or proceeded against the collateral, the buyer or lessee may cure a  
94                   default consisting of a failure to pay money by tendering the amount of all unpaid sums due at  
95                   the time of tender, without acceleration, plus any unpaid delinquency or deferral charges. Such a  
96                   cure shall restore the buyer or lessee to his rights under the agreement as though the defaults had  
97                   not occurred subject to the provisions of subsection (b).

98 SECTION 11. Section 20B of said chapter 255B is hereby amended by striking out

99 subsections (a) through (c), inclusive, and inserting in place thereof the following 3 subsections:-

100 (a) Subject to the provisions of this section and section 20A a secured creditor or lessor

101 under a consumer credit transaction or lease agreement may take possession of collateral. In

102 taking possession the secured creditor or lessor under a consumer credit transaction or lease

103 agreement may proceed without a prior hearing only if the default is material and consists of the

104 debtor's failure to make 1 or more payments as required by the agreement or the occurrence of

105 an event which substantially impairs the value of the collateral and only if possession can be

106 obtained without use of force, without breach of peace and unless the debtor consents to an entry,

107 at the time of such entry, without entry on property owned by or rented to the debtor.

108 (b) Except as provided in subsection (a) a creditor or lessor under a consumer credit

109 transaction or lease agreement may proceed against collateral only after a prior hearing. In any

110 proceeding where possession of the collateral is part of the relief sought by a holder no court

111 shall allow a secured creditor or lessor to take possession of collateral until the right of the

112 creditor or lessor to take possession has been determined at a hearing at which the buyer or

113 lessee has an opportunity to be heard having been notified in writing of said hearing at least 7

114 days in advance thereof.

115 (c) The buyer or lessee under a consumer credit transaction or lease agreement may

116 redeem the collateral from the holder at any time within 20 days of the creditor's or lessor's

117 taking possession of the collateral, or thereafter until the creditor or lessor has either disposed of

118 the collateral, entered into a contract for its disposition, or gained the right to retain the collateral

119 in satisfaction of the buyer's or lessee's obligation.