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## Security Financing Legislation

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## CURRENT LEGISLATION

increase maximum weekly benefit rates in each area from \$45 to \$50,<sup>11</sup> tighten the disqualification provisions of the Unemployment Insurance Law,<sup>12</sup> permit claimants to attend approved vocational training courses without jeopardizing Unemployment Insurance benefits,<sup>13</sup> and extend Workmen's Compensation and Disability Benefits coverage to employers of more than one employee.<sup>14</sup>

Two other statutes worthy of mention concern the right of public employees to belong to a union. In Florida<sup>15</sup> new legislation permits the State's employees to belong to and be represented by a union. However, the statute specifically prohibits strikes by them, and their membership in any organization asserting any right of public employees to strike. In contrast, a new enactment in North Carolina<sup>16</sup> prohibits public employees from becoming members of any union with national affiliations, or which has collective bargaining as an object. It specifically voids any public agreements with such a union.

JOHN E. KEENAN

## SECURITY FINANCING LEGISLATION

During the first six months of 1960, less than half the states conducted legislative sessions.

As was true in the preceding year, a significant number of those in session enacted legislation dealing with mechanics' liens further strengthening the trend towards extension and expansion of lien coverage found in 1959.<sup>1</sup>

A Motor Vehicle Sales Finance Act was enacted in Delaware.<sup>2</sup>

In June, 1960, Rhode Island enacted the Uniform Commercial Code effective as of January 2, 1962.<sup>3</sup> Kentucky revised its Motor Vehicle Lien Law to conform with the terms of the Uniform Commercial Code.<sup>4</sup> Massachusetts amended the Code to provide for filing and recording of fixtures in the Registries of Deeds.<sup>5</sup>

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<sup>11</sup> *Supra* note 8.

<sup>12</sup> *Supra* note 9.

<sup>13</sup> *Supra* note 9.

<sup>14</sup> *Supra* note 10.

<sup>15</sup> Fla. Stat. ch. 59, § 223 (1959).

<sup>16</sup> N.C. Gen. St. (1959) H.B. 118L § 95-85.

<sup>1</sup> Ariz. Laws 1960, S.B. 74; Ga. Laws 1960, H.B. 686, S.B. 44; La. Laws 1960, H.B. 218, H.B. 1309; Mich. Laws 1960, H.B. 128.

<sup>2</sup> Del. Laws 1959, S.B. 102 deals with the requirements for the licensing of sales finance companies, the grounds for suspension or revocation of licenses, specifies the prohibitions and requirements of a retail installment contract dealing with motor vehicles and sets out the computation and limitation of financing charges and penalties for violations.

<sup>3</sup> R.I. Laws 1960, H.B. 1522.

<sup>4</sup> Ky. Rev. Stat. §§ 251.190, 186.190, 186.195, 186.230, 186.235.

<sup>5</sup> Mass. Gen. Laws ch. 106, § 9-409 (1960). For further details of this amendment see: Uniform Commercial Code section of Current Legislation, this issue.

A new Retail Installment Sales Act was enacted in Delaware.<sup>6</sup> In New York, the Law of Retail Installment Credit Agreements pertaining to provisions prohibited in retail installment credit agreements was amended.<sup>7</sup> Legislation in the field of insurance sales prohibiting the coercive practice of requiring coverage through specified companies or particular agents was enacted in two states.<sup>8</sup>

In the field of finance, the availability of the defense of usury to a corporation was abolished in Kentucky,<sup>9</sup> while a law excepting savings and loan associations from provisions voiding usurious contracts became effective in New York.<sup>10</sup> Two states revised their laws regarding consignment contracts: Nevada expanding the licensing of farm product dealers and brokers to include commission merchants, and Virginia excepting stockyard operators from bonding requirements.<sup>11</sup>

In the conditional sale and chattel mortgage field, New York revised its Personal Property Law regarding the requirements for the filing and refiling of conditional sales contracts, and its Lien Law to make invalid any chattel mortgages as against creditors of the mortgagor and against subsequent purchasers or mortgagees in good faith after expiration of three years and thereafter after the expiration of any succeeding term of three years except by proper filing.<sup>12</sup> Massachusetts now requires the filing of an affidavit by a purchaser of a repossessed vehicle stating time and place of purchase and the price paid by him in any suit for a deficiency judgment by either a chattel mortgagee or conditional vendor of the vehicle.<sup>13</sup>

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<sup>6</sup> Del. Laws 1960, H.B. 550 covers mandatory and prohibited contract requirements and provisions for retail installment contracts, service charge limitations including requirements of payment schedules, add-on sales clauses dealing with subsequent purchases, establishment of retail installment accounts including monthly statements to the buyer, provisions for attorney's fees for collection and penalties for violations.

<sup>7</sup> N.Y. Laws 1960 ch. 729 bars an acceleration of maturity of part of, or the entire amount owed without reasonable cause in absence of buyer's default, a power of attorney to confess judgment, any agreement by which buyer would waive cause of action against seller for illegal acts done in the collection of payments, the appointment of seller as buyer's agent in collecting payments, a buyer relieving the seller from any liability which he might have had under the agreement or otherwise.

<sup>8</sup> Ga. Laws 1960, H.B. 115; La. Laws 1960, H.B. 419.

<sup>9</sup> Ky. Laws 1960, S.B. 225.

<sup>10</sup> N.Y. Banking Law §§ 108(4)(b), 108(4)(d).

<sup>11</sup> Nev. Laws 1960, S.B. 127; Va. Laws 1960, H.B. 453.

<sup>12</sup> N.Y. Laws 1960, ch. 173.

<sup>13</sup> Mass. Laws 1960, ch. 173.