

AN ACT

1 Amending the act of December 17, 1968 (P.L.1224, No.387),
2 entitled "An act prohibiting unfair methods of competition
3 and unfair or deceptive acts or practices in the conduct of
4 any trade or commerce, giving the Attorney General and
5 District Attorneys certain powers and duties and providing
6 penalties," further providing for contracts and effect of
7 rescission.

8 The General Assembly of the Commonwealth of Pennsylvania
9 hereby enacts as follows:

10 Section 1. Section 7(a), (b), (c) and (j.1) of the act of
11 December 17, 1968 (P.L.1224, No.387), known as the Unfair Trade
12 Practices and Consumer Protection Law, reenacted and amended
13 November 24, 1976 (P.L.1166, No.260), and amended or added
14 December 4, 1996 (P.L.906, No.146) and November 30, 2004
15 (P.L.1553, No.196), are amended and the section is amended by
16 adding a subsection to read:

17 Section 7. Contracts; Effect of Rescission.--(a) [Where]
18 (1) Except as otherwise provided in paragraph (2), where goods
19 or services having a sale price of twenty-five dollars (\$25) or
20 more are sold or contracted to be sold to a buyer, as a result

1 of, or in connection with, a contact with or call on the buyer
2 or resident at his residence either in person or by telephone,
3 that consumer may avoid the contract or sale by notifying, in
4 writing, the seller within three full business days following
5 the day on which the contract or sale was made and by returning
6 or holding available for return to the seller, in its original
7 condition, any merchandise received under the contract or sale.
8 Such notice of rescission shall be effective upon depositing the
9 same in the United States mail or upon other service which gives
10 the seller notice of rescission.

11 (2) Where goods or services having a sale price of twenty-
12 five dollars (\$25) or more are sold or contracted to be sold to
13 a buyer who is at least sixty-five years of age, as a result of,
14 or in connection with, a contact with or call on the buyer or
15 resident at his residence either in person or by telephone, that
16 consumer may avoid the contract or sale by notifying, in
17 writing, the seller within fifteen full business days following
18 the day on which the contract or sale was made and by returning
19 or holding available for return to the seller, in its original
20 condition, any merchandise received under the contract or sale.
21 Such notice of rescission shall be effective upon depositing the
22 same in the United States mail or upon other service which gives
23 the seller notice of rescission.

24 (b) [At] Except as otherwise provided under subsection
25 (b.1), at the time of the sale or contract the buyer shall be
26 provided with:

27 (1) A fully completed receipt or copy of any contract
28 pertaining to such sale, which is in the same language (Spanish,
29 English, etc.) as that principally used in the oral sales
30 presentation, and also in English, and which shows the date of

1 the transaction and contains the name and address of the seller,
2 and in immediate proximity to the space reserved in the contract
3 for the signature of the buyer or on the front page of the
4 receipt if a contract is not used and in bold face type of a
5 minimum size of ten points, a statement in substantially the
6 following form:

7 "You, the buyer, may cancel this transaction at any time
8 prior to midnight of the third business day after the date of
9 this transaction. See the attached notice of cancellation
10 form for an explanation of this right."

11 (2) A completed form in duplicate, captioned "Notice of
12 Cancellation," which shall be attached to the contract or
13 receipt and easily detachable, and which shall contain in ten-
14 point bold face type the following information and statements in
15 the same language (Spanish, English, etc.) as that used in the
16 contract:

17 Notice of Cancellation

18 (Enter Date of Transaction)

19 You may cancel this transaction, without any penalty or
20 obligation, within three business days from the above date.

21 If you cancel, any property traded in, any payments made
22 by you under the contract or sale, and any negotiable
23 instrument executed by you will be returned within ten
24 business days following receipt by the seller of your
25 cancellation notice, and any security interest arising out of
26 the transaction will be cancelled.

27 If you cancel, you must make available to the seller at
28 your residence in substantially as good condition as when
29 received, any goods delivered to you under this contract or
30 sale; or you may, if you wish, comply with the instructions

1 of the seller regarding the return shipment of the goods at
2 the seller's expense and risk.

3 If you do make the goods available to the seller and the
4 seller does not pick them up within twenty days of the date
5 of your notice of cancellation, you may retain or dispose of
6 the goods without any further obligation.

7 If you fail to make the goods available to the seller, or
8 if you agree to return the goods to the seller and fail to do
9 so, then you remain liable for performance of all obligations
10 under the contract.

11 To cancel this transaction, mail or deliver a signed and
12 dated copy of this cancellation notice or any other written
13 notice, or send a telegram, to (name of seller), at (address
14 of seller's place of business) not later than midnight of
15 (date).

16 I hereby cancel this transaction.

17

18 (Date)

19

20 (Buyer's Signature)

21 (b.1) For a buyer who is at least sixty-five years of age,
22 the statement required by subsection (b)(1) shall be in the same
23 form, except that the right to cancel shall state the fifteenth
24 business day and the notice of cancellation required by
25 subsection (b)(2) shall be in the same form, except that the
26 right to cancel shall state the time period of fifteen business
27 days.

28 (c) [Before] (1) Except as otherwise provided in paragraph
29 (2), before furnishing copies of the "Notice of Cancellation" to
30 the buyer, both copies shall be completed by entering the name

1 of the seller, the address of the seller's place of business,
2 the date of the transaction, and the date, not earlier than the
3 third business day following the date of the transaction, by
4 which the buyer may give notice of cancellation.

5 (2) Before furnishing copies of the "Notice of Cancellation"
6 to a buyer who is at least sixty-five years of age, both copies
7 shall be completed by entering the name of the seller, the
8 address of the seller's place of business, the date of the
9 transaction, and the date, not earlier than the fifteenth
10 business day following the date of the transaction, by which the
11 buyer may give notice of cancellation.

12 * * *

13 (j.1) (1) Rights afforded under this section may be waived
14 only through the execution of an emergency authorization form:

15 (i) where goods or services have a sale price of twenty-five
16 dollars (\$25) or more;

17 (ii) are contracted to be sold to a buyer as a result of or
18 in connection with a contact made by the buyer to the seller;
19 and

20 (iii) the goods or services contracted for are needed to
21 remedy a bona fide emergency on the buyer's residential real
22 property. Nothing in this subsection shall prohibit a seller
23 contacted by a buyer as a result of a bona fide emergency from
24 taking any immediate preliminary steps necessary to remedy a
25 clear and immediate danger that may cause death or serious
26 bodily injury to the buyer, the seller or other persons without
27 having to obtain the emergency authorization form.

28 (2) To obtain a waiver under this section, the seller must
29 furnish the buyer with an emergency work authorization form as
30 well as a written estimate of the goods or the performance of

1 services. This authorization will allow the seller to
2 immediately proceed with the delivery of the goods or the
3 performance of the services necessary to remedy the bona fide
4 emergency.

5 (3) [The] Except as otherwise provided in paragraph (3.1),
6 the emergency work authorization form provided for in this
7 section shall be:

8 (i) on a preprinted card at least four inches by six inches
9 in size; and

10 (ii) the writing thereon must be in at least ten-point bold
11 face type in the following form:

12 Emergency Work Authorization

13 (Enter Date of Transaction)

14 You, the buyer, having initiated the contract for the
15 goods and services of (enter the name of the seller), the
16 seller, for the remediation of a bona fide emergency hereby
17 authorize the seller to immediately proceed with the delivery
18 of goods or the performance of services necessary to remedy
19 the bona fide emergency. By providing the seller with this
20 authorization, you agree to make full payment for the goods
21 or services provided. You agree not to exercise the rights
22 afforded you by the Unfair Trade Practices and Consumer
23 Protection Law to cancel the contract within three business
24 days from the above date.

25 You, the buyer, attest that the attached estimate is an
26 accurate description of the goods and services which will be
27 provided by the seller for the correction of the bona fide
28 emergency:

29

30 (Date)

1
2

(Buyer's Signature)

3 (3.1) For a buyer who is at least sixty-five years of age,
4 the emergency work authorization form required under paragraph
5 (3)(ii) shall state fifteen business days instead of three
6 business days.

7 * * *

8 Section 2. This act shall take effect in 60 days.