

31A-6b-303 Cancellation or termination of a guaranteed asset protection waiver.

- (1)
 - (a) A borrower may cancel a guaranteed asset protection waiver in accordance with this section.
 - (b) A borrower may not waive by contract the borrower's right to cancel a guaranteed asset protection waiver in accordance with this section.
 - (c) A guaranteed asset protection waiver terminates on the day on which the related finance agreement terminates.
- (2)
 - (a) A guaranteed asset protection waiver shall provide for a preliminary period of at least 30 days.
 - (b) If a borrower cancels a guaranteed asset protection waiver or if a guaranteed asset protection waiver terminates within the preliminary period, the borrower is entitled to a refund of the charge for the guaranteed asset protection waiver as follows:
 - (i) if benefits have not been provided, a full refund; or
 - (ii) if benefits have been provided, a refund to the extent provided for in the guaranteed asset protection waiver.
- (3)
 - (a) If a guaranteed asset protection waiver is cancelled by the borrower or terminates after the preliminary period, to obtain a refund of any portion of the charge for the guaranteed asset protection waiver, the borrower shall request the refund:
 - (i) in a writing provided to:
 - (A) the creditor;
 - (B) an administrator; or
 - (C) another person designated in the guaranteed asset protection waiver;
 - (ii) within 90 days of the day on which an event occurs that terminates the finance agreement if the refund is sought on the basis of termination of a finance agreement; and
 - (iii) in accordance with any additional terms in the guaranteed asset protection waiver.
 - (b) If a guaranteed asset protection waiver is cancelled by the borrower or terminates after the preliminary period, but before the term of the finance agreement ends, a borrower is entitled to a refund:
 - (i) of the portion of the charge for the guaranteed asset protection waiver that under the terms of the guaranteed asset protection waiver is considered unearned; and
 - (ii) subject to any other terms of the guaranteed asset protection waiver.
- (4)
 - (a) If the cancellation of a guaranteed asset protection waiver occurs as a result of any of the following, a refund may be paid directly to the creditor or administrator and applied as provided in Subsection (4)(b):
 - (i) a default under the finance agreement;
 - (ii) the repossession of the vehicle associated with the finance agreement; or
 - (iii) any other type of termination of the finance agreement or guaranteed asset protection waiver.
 - (b) A creditor may apply a refund described in this Subsection (4) to reduce the amount owed under a finance agreement, unless the borrower can show that the finance agreement is paid in full.

Enacted by Chapter 274, 2010 General Session