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GOVERNOR

State of Louisiana  
OFFICE OF THE GOVERNOR  
RECREATIONAL AND USED MOTOR VEHICLE COMMISSION



JOHN M. "JACK" TORRANCE  
EXECUTIVE DIRECTOR

To: All Dealers  
From: John M. Torrance  
Date: August 15, 2007

You recently received a document from the Louisiana Motor Vehicle Commission, dated April 13, 2007, that was sent to all licensees of the Louisiana Recreational and Used Motor Vehicle Commission. That document advised the dealers that certain credit sales of motor vehicles made by the dealer may be in violation of the Sales Finance Law. The document cited the provisions of LSA-R.S. 6:969 as authority for their position. A close examination of that statute by our attorney revealed that "new" motor vehicle dealers were exempt from the licensure provisions and that used motor vehicle dealers were not exempt. The exemption statute partially reads as follows:

**§ 969.36. License not required**

A. All of the following shall be exempt from the licensing requirements of this Chapter:

(8) Licensed new motor vehicle dealers to the extent that they regularly sell, assign, and transfer contracts originated by them to third party assignees within sixty days following origination. A licensed new motor vehicle dealer may retain at any one time, and from time to time thereafter, a maximum of twelve contracts for its own account without being subject to the licensing requirements of this Chapter.

We are happy to report to you that Act 131 of the 2007 Regular Session of the Louisiana Legislature amended the above cited law to remove the words "new" from the law and the result is that all motor vehicle dealers now share the same exemptions from licensure. Remember, the exemptions only apply to "motor vehicle dealers to the extent that they regularly sell, assign, and transfer contracts originated by them to third party assignees within sixty days following origination. Additionally, the motor vehicle dealer may retain at any one time, and from time to time thereafter, a maximum of twelve contracts for its own account without being subject to the licensing requirements of this Chapter."

If you should have any questions or require any additional information, please feel free to call me.