



State of Michigan  
John Engler, Governor

Department of Consumer & Industry Services  
Kathleen M. Wilbur, Director

Financial Institutions Bureau  
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October 15, 1999

XXX  
YYY  
(Address)

Dear XXX:

Your letter dated September 8, 1999, has been forwarded to me for reply.

In your letter you requested approval to return copies of motor vehicle installment sale contracts in lieu of original contracts. Your letter noted that because YYY is licensed under the Consumer Financial Services Act ("CFSA"), and because section 14(3) of the CFSA, MCL 487.2064(3); MSA 23.1195(14)(3), permits the keeping of records by "electronic data processing methods," that the provisions of the Motor Vehicle Sales Finance Act regarding the return of original contracts to installment buyers need not be followed. In short, it is YYY's belief that a copy of the original may be returned to satisfy the holder's obligations under the Motor Vehicle Sales Finance Act ("MVSFA").

Based on the following discussion, the Bureau cannot grant approval to your request regarding YYY's obligation under section 30(a) of the MVSFA, MCL 492.130(a); MSA 23.628(30).

First, the purposes of section 30(a) of the MVSFA and section 14(3) of the CFSA serve distinct and unrelated purposes. Section 30(a) is an affirmative duty placed upon all holders of motor vehicle installment sale contracts to "return to the buyer the original of all instruments evidencing indebtedness or construing security under an installment sale contract..." It is a one-time duty owed by the holder to the buyer to produce final evidence of contract satisfaction. Section 14(3) is an affirmative duty placed on all CFSA licensees to maintain records for inspection by the Commissioner. It is an ongoing duty owed by the licensee to the Commissioner to compile records.

Second, under the traditional rules of statutory construction and section 3a of chapter 1 of the Revised Statutes of 1846, the Bureau must construe and understand the words and phrases of the statutes according to the common and approved usage of the language. *See*, MCL 8.3a; MSA 2.212(1). Where the words used in a statute are clear and unambiguous, the statute must be enforced as written. *National Center for Manufacturing Sciences v City of Ann Arbor*, 221 Mich App 541, 563 NW2d 65 (1997); *and*, *Metropolitan Council 23 v Oakland County*, 409 Mich 299, 294 NW2d 578 (1980).

XXX

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Section 30a of the MVSFA obliges holders of motor vehicle installment sale contracts to return “the original of all instruments...” Because it is presumed that every word used in a statute must have some force and meaning, *Michigan Mutual Insurance Co v Allstate Insurance Co*, 146 Mich App 475, 382 NW2d 169 (1985); *aff’d* 426 Mich 346, 395 NW2d 192 (1986), the legislature’s use of the word “original” must be given effect.

Therefore, holders of motor vehicle sales finance contracts must comply with the contract return provisions of section 30(a) of the MVSFA – the “original” contract must be returned upon full payment. This obligation of the holder is unaffected by the permissibility of keeping of examination records in electronic form under section 14 of the CFSA.

If you have any questions in this regard, please contact me at (517) 373-8674.

Sincerely,

DJ Culkar, Administrative Law Specialist  
Policy and Legislation Division

Cc: A. Gaultney  
R. Andrews