2.59.118 REQUIRED DISCLOSURES

(1) A bank shall provide the following disclosures to the bank's customer:

(a) notice of the prohibited acts or practices contained in ARM 2.59.119;

(b) the fee applicable to the contract and any payment options;

(c) the refund policy;

(d) whether the customer is barred from using the credit line to which it pertains if the debt cancellation contract or debt suspension agreement is activated;

(e) eligibility requirements, conditions, and exclusions;

(f) that a debt suspension agreement, if activated, does not cancel the debt, but only suspends payment requirements; and

(g) notice that cancellation of debt may result in a tax liability to the customer if activated.

(2) The requirements for the timing and method of disclosure are:

(a) the bank shall make the disclosures in (1) and the short-form disclosures under ARM 2.59.123 orally at the time the bank first solicits the purchase of a contract;

(b) the bank shall make the long-form disclosures under ARM 2.59.123 in writing before the customer completes the purchase of the contract. If the initial solicitation occurs in person, the bank shall provide the long-form disclosure in writing at that time;

(c) if the contract is solicited by telephone, the bank shall provide the disclosures in (1) and the short-form disclosures under ARM 2.59.123 orally and shall mail the long-form disclosures, and, if appropriate, a copy of the contract to the customer within three business days beginning on the first business day after the telephone solicitation; and

(d) if the contract is solicited through written materials such as mail inserts or "take one" applications, the bank may provide only the disclosures in (1) and the short-form disclosure under ARM 2.59.123 to the customer within three business days beginning on the first business day after the customer contacts the bank in response to the solicitation, subject to the requirements of ARM 2.59.122(3)(b).

(3) The disclosures required by these rules must be conspicuous, simple, direct, readily understandable, and designed to call attention to the nature and significance of the information provided. The methods may include use of plain language headings, easily readable typeface and size, wide margins and ample line spacing, boldface or italics for key words, and/or distinctive type style or graphic devices.

(4) The disclosures in the short-form disclosure under ARM 2.59.123 are required in advertisements and promotional material for contracts unless the advertisements and promotional materials are of a general nature describing or listing the services or products offered by the bank.

(5) The disclosures described in these rules may be provided through electronic media in a manner consistent with the requirements of the Electronic Signatures in Global and National Commerce Act, 15 USC 7001 et seq. or the Uniform Electronic Transaction Act, Title 30, chapter 18, part 1, MCA.

Authorizing statute(s): 32-1-218, MCA

Implementing statute(s): 32-1-429, MCA

History: NEW, 2011 MAR p. 2801, Eff. 12/23/11.