



## ADMINISTRATIVE RULES OF MONTANA

### 2.59.2046 AFFIRMATIVE ELECTION TO PURCHASE AND ACKNOWLEDGMENT OF RECEIPT OF DISCLOSURES

- (1) Before entering into a debt cancellation contract or debt suspension agreement, a mutual association shall obtain the customer's written affirmative election to purchase the contract and a written acknowledgment of receipt of the disclosures required under ARM 2.59.2042.
- (2) The election and acknowledgment information must be conspicuous, simple, direct, readily understandable, and designed to call attention to its significance.
- (3) The election and acknowledgment information satisfies these standards if it conforms to the following requirements:
  - (a) if the sale of a contract occurs by telephone, the customer's affirmative election to purchase may be made orally, provided that the mutual association:
    - (i) maintains sufficient documentation to show that the customer received the short-form disclosures substantially similar to ARM 2.59.2047(1) and then affirmatively elected to purchase the contract;
    - (ii) mails to the customer the affirmative written election and written acknowledgment together with a long-form disclosure substantially similar to ARM 2.59.2047(2), within three business days after the telephone solicitation, and maintains sufficient documentation to show it made reasonable efforts to obtain the documents from the customer; and
    - (iii) permits the customer to cancel the purchase of the contract without penalty within 30 days after the mutual association has mailed the long-form disclosures to the customer;
  - (b) if the contract is solicited through written materials such as mail inserts or "take one" applications and a mutual association provides only the short-form disclosures in the written materials, then the mutual association shall mail the acknowledgment of receipt of disclosures, together with a long-form disclosure as provided under ARM 2.59.2047(2), to the customer within three business days, beginning on the first business day after the customer contacts the mutual association or otherwise responds to the solicitation. A mutual association may not obligate the customer to pay for the contract until after the mutual association has received the customer's written acknowledgment of receipt of disclosures unless the mutual association:
    - (i) maintains sufficient documentation to show that the mutual association provided the acknowledgment of receipt of disclosures to the customer;

- (ii) maintains sufficient documentation to show that the mutual association made reasonable efforts to obtain from the customer a written acknowledgment of receipt of the long-form disclosures; and
  - (iii) permits the customer to cancel the purchase of the contract without penalty within 30 days after the mutual association has mailed the long-form disclosures to the customer.
- (4) The affirmative election and acknowledgment may be made electronically 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 Transactions Act, Title 30, chapter 18, part 1, MCA.

**Authorizing statute(s):** 32-2-704, MCA

**Implementing statute(s):** 32-2-909, MCA

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**History:** NEW, 2022 MAR p. 230, Eff. 2/12/22.