

**371.290 Consolidation of subsequent purchases with existing contract --
Memorandum -- Allocation of payments.**

- (1) If, in a retail installment transaction, a retail buyer makes any subsequent purchases of goods or services from a retail seller from whom he has previously purchased goods or services under one or more retail installment contracts, and the amounts under such previous contract or contracts have not been fully paid, the subsequent purchases may, at the seller's option, be included in and consolidated with one or more of the previous contract or contracts. Each subsequent purchase shall be a separate retail installment contract under KRS 371.210 to 371.330, notwithstanding that the same may be included in and consolidated with one or more of such previous contract or contracts. All the provisions of KRS 371.210 to 371.330 with respect to retail installment contracts shall be applicable to such subsequent purchases except as stated in subsections (2) to (7) of this section.
- (2) In the event of such consolidation, in lieu of the buyer's executing a retail installment contract respecting each subsequent purchase, as provided in KRS 371.220 to 371.290, it shall be sufficient if the seller shall prepare a written memorandum of each subsequent purchase, in which case the provisions of subsections (1), (2), (3), and (4) of KRS 371.220 shall not be applicable. Unless previously furnished in writing to the buyer by the seller, by sales slip, memoranda, or otherwise, such memorandum shall set forth with respect to each subsequent purchase the following:
 - (a) The cash sale price of the goods or services;
 - (b) The amount of the buyer's down payment, identifying the amounts paid in money and allowed for goods traded in;
 - (c) The difference between items (a) and (b);
 - (d) The aggregate amount, if any, included for insurance, if a separate identified charge is made therefor, specifying the type or types of insurance and the term or terms of coverage;
 - (e) The aggregate amount of official fees;
 - (f) The principal balance, which is the sum of items (c), (d), and (e);
 - (g) The amount or rate of the time price differential;
 - (h) The amount of the time balance owed by the buyer to the seller, which is the sum of items (f) and (g);
 - (i) The outstanding balance of the previous contract or contracts;
 - (j) The consolidated time balance, which is the sum of items (h) and (i);
 - (k) The revised installments applicable to the consolidated time balance, if any.

The seller shall deliver to the buyer a copy of such memorandum prior to the due date of the first installment of such consolidated contract.
- (3) When such subsequent purchases are made, if the seller has retained title or taken a lien or other security interest in any of the goods purchased under any one of the contracts included in the consolidation.
- (4) The entire amount of all payments made prior to such subsequent purchases shall be deemed to have been applied on the previous purchases.

- (5) Each payment after such subsequent purchases made on this consolidated contract shall be deemed to have been allocated to all of the various purchases in the same ratio as the original cash sale prices of the various purchases bear to the total of all.
- (6) Where the amount of each installment payment is increased in connection with such subsequent purchases, at the seller's option, the subsequent payments may be deemed to be allocated as follows: an amount equal to the original periodic payment to the previous purchase, the balance to the subsequent purchase. However, the amount of any down payment on the subsequent purchase shall be allocated in its entirety to such subsequent purchase.
- (7) The provisions of subsections (3), (4), (5), and (6) of this section shall not apply to cases where such previous and subsequent purchases involve equipment, parts, or other goods attached or affixed to goods previously purchased and not fully paid, or to services in connection therewith rendered by the seller at the buyer's request.

History: Created 1962 Ky. Acts ch. 136, sec. 2(13).