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HOUSE BILL NO. 1505

Offered January 23, 2026

A BILL to amend and reenact § 6.2-437 of the Code of Virginia, relating to right of buyer of consumer goods to refinance certain payments; exemption for the purchase of motor vehicles.

Patron—Sullivan

Referred to Committee on Labor and Commerce

Be it enacted by the General Assembly of Virginia:

1. That § 6.2-437 of the Code of Virginia is amended and reenacted as follows:

§ 6.2-437. Right of buyer of consumer goods to refinance certain payments; agreements as to fluctuation in schedule of payments.

A. In any sales transaction, except one pursuant to an open-end account, involving exclusively consumer goods as defined in subdivision (a) (23) of § 8.9A-102 in which credit is extended and a security interest in consumer goods is taken, any installment payment, other than a down payment made prior to or contemporaneously with the execution of an agreement evidencing the transaction, that is more than 10 percent greater than the regular or recurring installment payments, shall be subject to the buyer's right to refinance such a payment on the basis of an extended period of time. Such additional payments shall be in amounts that shall allow the unpaid balance to be paid in as few periodic payments, not more than 10 percent greater than the regularly scheduled installment payments, as are required to pay such balance. Such additional payments shall be considered and treated as part of the original transaction.

B. The parties may agree in a separate writing that one or more payments or the intervals between one or more payments shall be reduced or expanded in accordance with the desires or needs of the buyer, if such fluctuations in the schedule of payments are expressly arranged to coincide with the anticipated fluctuations in the buyer's capability to make such payments.

C. No seller who has refused to refinance in compliance with the provisions of this section shall be entitled (i) to the return or repossession of the goods involved in the transaction or (ii) to a judgment for the unpaid balance involved in the transaction at the time of his failure to do so.

D. *The provisions of this section shall not apply to a sales transaction for the purchase of a motor vehicle in which credit is extended and a security interest in the motor vehicle is taken, provided that the financing agreement includes a payment schedule that is disclosed to the buyer and no installment payment, other than a down payment made prior to or contemporaneously with the execution of the financing agreement, is more than 50 percent greater than the regular or recurring installment payments.*

INTRODUCED

HB1505