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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2017

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A N A C T

RELATING TO BUSINESSES AND PROFESSIONS -- TRANSLATION OF LEGAL AND  
FINANCING DOCUMENTS

Introduced By: Representatives Diaz, Slater, Tobon, Craven, and Perez

Date Introduced: April 26, 2017

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. The general assembly hereby finds and declares:

2 (1) Real estate market transaction should be fair to all consumers.

3 (2) Consumer information offered to foreign language consumers must be increased.

4 (3) Consumers should be protected from abusive and discriminatory practices.

5 (4) Accessibility of products and services for non-English speakers must be improved and  
6 expanded.

7 (5) Rhode Island has a growing population of non-English speaking persons.

8 SECTION 2. Title 5 of the General Laws entitled "BUSINESSES AND PROFESSIONS"

9 is hereby amended by adding thereto the following chapter:

10 CHAPTER 20.9

11 FOREIGN LANGUAGE TRANSLATION OF CONSUMER CONTRACTS

12 **5-20.9-1. Mandatory translation.**

13 (a) Any person engaged in a trade or business who negotiates primarily in Spanish or  
14 Japanese, orally or in writing, in the course of entering into any of the following, shall deliver to  
15 the other party to the contract or agreement and prior to the execution thereof, a translation of the  
16 contract or agreement in the language in which the contract or agreement was negotiated, that  
17 includes a translation of every term and condition in that contract or agreement:

18 (1) Credit sale contracts involving consumer goods and services of all kinds, including

1 automobile purchases and leases;

2 (2) All loans or other extensions of credit for use primarily for personal, family or  
3 household purposes, except loans secured by real property;

4 (3) Consumer loans secured by real property, if arranged by a real estate loan broker, or  
5 made by a personal finance company;

6 (4) Contracts for the rental, lease or sublease of apartment, dwellings, motor vehicles and  
7 mobile homes for a period longer than one month;

8 (5) Reverse mortgages; and

9 (6) Mortgage foreclosure consulting contracts.

10 **5-20.9-2. Exceptions.**

11 This translation requirement shall not apply to:

12 (1) Contracts, involving a seller who is not engaged in a trade or business;

13 (2) Contracts in which the foreign language-speaking consumer has negotiated the  
14 contract through their own interpreter.

15 **5-20.9-3. Notice.**

16 (a) At the same time and place where any contract is entered into following negotiations  
17 primarily in Spanish or Japanese, a notice of the consumer's rights must be displayed. This notice  
18 must be written in the language of the negotiation and must be conspicuously displayed. The  
19 notice must inform consumers of their rights under this law.

20 (b) This notice need only be displayed at those locations where the foreign language is  
21 used. The notice is not required by those who make or arrange loans secured by real property.

22 **5-20.9-4. English translation.**

23 The terms of the contract or agreement that is executed in the English language shall  
24 determine the rights and obligations of the parties. However, the translation of the contract or the  
25 disclosures required by this chapter shall only be admissible in evidence to show that no contract  
26 was entered into because of a substantial difference in the material terms and conditions of the  
27 contract and the translation.

28 **5-20.9-5. Modified documents.**

29 The business must give the consumer foreign-language translation of the original contract  
30 and any subsequent documents that modify the original contract or substantially change the rights  
31 and obligations of the parties.

32 **5-20.9-6. Financing documents.**

33 If the contract involves a loan made by a "supervised financial organization" such as a  
34 bank, savings association, credit union or personal finance company, the organization need only

1 provide a foreign-language translation of the credit disclosures required by the Federal Truth in  
2 Lending Act. A foreign-language translation of the remainder of the contract need not be  
3 provided. The foreign-language translation need only include the amount financed, the annual  
4 percentage rate, the amount and due dates of the payments and other relevant credit information.

5 **5-20.9-7. Cosigners.**

6 All cosigners of consumer credit contracts must receive notice of their obligations in  
7 English and Spanish and/or the language in which the consumer contract is written, prior to them  
8 becoming obligated under the contract. The same is true for cosigners on vehicle leases.

9 **5-20.9-8. Rescission.**

10 Upon a failure to comply with the provisions of this chapter, the person aggrieved may  
11 rescind the contract or agreement in the manner provided by this chapter. If the contract for a  
12 consumer credit sale or consumer lease that has been sold and assigned to a financial institution is  
13 rescinded pursuant to this subsection, the consumer shall make restitution to and have restitution  
14 made by the person with whom they made the contract, and shall give notice or rescission to the  
15 assignee. Notwithstanding that the contract was assigned without recourse, the assignment shall  
16 be deemed rescinded and the assignor shall promptly repurchase the contract from the assignee.

17 SECTION 3. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

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- 1           This act would require many consumer contracts to be translated from English to Spanish
- 2           or Japanese under some circumstances.
- 3           This act would take effect upon passage.

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