



STATE OF TEXAS

OFFICE OF CONSUMER CREDIT COMMISSIONER

AL ENDSLEY, Commissioner

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Writer's Direct Number:

March 26, 1987 87-2

Ms. Karen Coffey
Chief Counsel
Texas Automobile Dealers Association
P.O. Box 1028
Austin, Texas 78767-1028

Dear Ms. Coffey:

In your letter of December 16, 1986 you state that Ford Motor Company has instructed all Ford dealers that they may not charge a documentary fee on the sale of a motor vehicle to particular employees and retirees of Ford Motor Company. You have requested our opinion as to whether a dealer would be in violation of Article 5069-7.01(h-1) V.T.C.S. if it follows Ford Motor Company instructions and does not charge such employees and retirees a documentary fee.

As written, this section amends the definition of "principal balance" to include a documentary fee when and if such fee is charged. The authorization for a documentary fee, is permissive in that it provides that if a documentary fee is charged it must be charged both cash and credit customers. We find the intent of the section was not to require that a documentary fee be charged but to insure that if a documentary fee is charged that it not be charged only to credit customers, thereby assuming the form and nature of a finance charge. It is our opinion that a dealer may waive the documentary fee for any group of buyers representing a class within itself so long as the waiver applies to both cash and credit buyers within the class and provided that such group does not represent a disproportionate number of cash or credit customers.

Yours very truly,

Al Endsley
Commissioner