

§ 20-75.1. Conditional delivery of motor vehicles.

Notwithstanding G.S. 20-52.1, 20-72, and 20-75, nothing contained in those sections prohibits a dealer from entering into a contract with any purchaser for the sale of a vehicle and delivering the vehicle to the purchaser under terms by which the dealer's obligation to execute the manufacturer's certificate of origin or the certificate of title is conditioned on the purchaser obtaining financing for the purchase of the vehicle. Liability, collision, and comprehensive insurance on a vehicle sold and delivered conditioned on the purchaser obtaining financing for the purchase of the vehicle shall be covered by the dealer's insurance policy until such financing is finally approved and execution of the manufacturer's certificate of origin or execution of the certificate of title. Upon final approval and execution of the manufacturer's certificate of origin or the certificate of title, and upon the purchaser having liability insurance on another vehicle, the delivered vehicle shall be covered by the purchaser's insurance policy beginning at the time of final financial approval and execution of the manufacturer's certificate of origin or the certificate of title. For conditionally delivered vehicles, the dealer shall execute the manufacturer's certificate of origin or the certificate of title. The purchaser or lessee shall be responsible for notification of the insurer or insurance agency servicing the purchaser's or lessee's insurance policy of the purchase or lease on the date the approval notice is received, or if the insurer or insurance agency is not open for business that day, on the next business day following approval of the purchaser's or lessee's financing. The purchaser shall be solely responsible for obtaining and paying for insurance on the purchased or leased vehicle, and the dealer shall under no circumstances be liable to the purchaser, lessee, or any third parties in the event the purchaser or lessee fails to timely obtain insurance on the purchased or leased vehicle. This subsection is in addition to any other provisions of law or insurance policies and does not repeal or supersede those provisions. (1993, c. 328, s. 1; 2023-116, s. 8(a).)