

61—20.5(537) Sale prohibition. No verbal or written sales efforts regarding noncredit property insurance may be made until the initial loan or credit transaction has been closed and the entire proceeds of the other credit products have been received by the consumer. In addition, creditors may not prepare documents for the sale of noncredit property insurance until the entire proceeds of the other credit products have been received by the borrower.

Should a borrower independently inquire about the purchase of noncredit property insurance, the creditor may inform the borrower that the company offers such insurance for sale, but that the terms of insurance may not be discussed until after the sale of other credit products has been completed.

This prohibition does not prevent creditors from clearly disclosing to consumers that credit property insurance insures only a portion of the personal property owned by a borrower.