

CHAPTER 555A

DOOR-TO-DOOR SALES

Referred to in §522C.10, 537.3501, 551A.6, 552A.3, 714H.3

This chapter not enacted as a part of this title;
transferred from chapter 82 in Code 1993

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555A.1 Definitions.

As used in [this chapter](#), unless the context otherwise requires:

1. “*Business day*” means any calendar day except Saturday, Sunday, or public holiday, including holidays observed on Mondays.

2. “*Consumer goods or services*” means goods or services purchased, leased, or rented primarily for personal, family, or household purposes, including courses of instruction or training regardless of the purpose for which they are taken.

3. *a.* “*Door-to-door sale*” means a sale, lease, or rental of consumer goods or services with a purchase price of twenty-five dollars or more, whether under single or multiple contracts, in which the seller or the seller’s representative personally solicits the sale, including those in response to or following an invitation by the buyer, and the buyer’s agreement or offer to purchase is made at a place other than the place of business of the seller. Door-to-door sale does not include a transaction:

(1) Made pursuant to prior negotiations in the course of a visit by the buyer to a retail business establishment having a fixed permanent location where the goods are exhibited or the services are offered for sale on a continuing basis.

(2) In which the consumer is accorded the right of rescission by the provisions of the Consumer Credit Protection Act, 15 U.S.C. §1635, or rules issued pursuant to [this chapter](#).

(3) In which the buyer has initiated the contact and the goods or services are needed to meet a bona fide immediate personal emergency of the buyer, and the buyer furnishes the seller with a separate dated and signed personal statement in the buyer’s handwriting describing the situation requiring immediate remedy and expressly acknowledging and waiving the right to cancel the sale within three business days.

(4) Conducted and consummated entirely by mail or telephone, and without any other contact between the buyer and the seller or its representative prior to delivery of the goods or performance of the services.

(5) In which the buyer has initiated the contact and specifically requested the seller to visit the buyer’s home for the purpose of repairing or performing maintenance upon the buyer’s personal property. If in the course of such a visit, the seller sells the buyer the right to receive additional services or goods other than replacement parts necessarily used in performing the maintenance or in making the repairs, the sale of those additional goods or services would not fall within this exclusion.

(6) Pertaining to the sale or rental of real property, to the sale of insurance and prepaid health service plans, or to the sale of securities or commodities by a broker-dealer registered with the securities and exchange commission.

b. “*Door-to-door sale*”, irrespective of the place or manner of sale, also means the following:

(1) A sale of funeral services or funeral merchandise regulated under [chapter 523A](#).

(2) A sale of a social referral service or an ancillary service. For purposes of this subparagraph, “*social referral service*” means a service for a fee providing matching or introduction of individuals for the purpose of dating, matrimony, or general social contact not otherwise prohibited by law, and “*ancillary service*” means goods or services directly or indirectly related to or to be provided in connection with a social referral service.

4. “*Place of business*” means the main or permanent branch office or local address of a seller.

5. “Purchase price” means the total price paid or to be paid for the consumer goods or services, including all interest and service charges.

6. “Seller” means any person engaged in the door-to-door sale of consumer goods or services.

[C75, 77, §713B.1; C79, 81, §82.1; 82 Acts, ch 1249, §5]

C93, §555A.1

2000 Acts, ch 1021, §3

Referred to in §522C.11, 552A.3

555A.2 Contract.

Every seller shall furnish the buyer with a fully completed receipt or copy of any contract pertaining to a door-to-door sale at the time of its execution, which is in the same language as that principally used in the oral sales presentation and which shows the date of the transaction and contains the name and address of the seller, and in immediate proximity to the space reserved in the contract for the signature of the buyer or on the front page of the receipt if a contract is not used and in boldface type of a minimum size of ten points, a statement in substantially the following form:

You, the buyer, may cancel this transaction at any time prior to midnight of the third business day after the date of this transaction. See the attached notice of cancellation form for an explanation of this right.

[C75, 77, §713B.2; C79, 81, §82.2]

C93, §555A.2

Referred to in §552A.3

555A.3 Cancellation.

Every seller shall furnish each buyer, at the time the buyer signs the door-to-door sales contract or otherwise agrees to buy consumer goods or services from the seller, a completed form in duplicate, captioned “Notice of Cancellation”, which shall be attached to the contract or receipt and easily detachable, and which shall contain in ten point boldface type the following information and statements in the same language as that used in the contract:

NOTICE OF CANCELLATION

.....
(enter date of transaction)

You may cancel this transaction, without any penalty or obligation, within three business days from the above date.

If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within ten business days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be canceled.

If you cancel, you must make available to the seller at your residence, in substantially as good condition as when received, any goods delivered to you under this contract or sale; or you may if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller’s expense and risk.

If you do not agree to return the goods to the seller or if the seller does not pick them up within twenty days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation.

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice, or send a telegram, to, (Name of seller) at (Address of seller’s place of business) not later than midnight of (Date).

I hereby cancel this transaction.

.....
(Date)

.....
(Buyer's signature)

[C75, 77, §713B.3; C79, 81, §82.3]

C93, §555A.3

Referred to in §551A.3, 552A.3

555A.4 Duties of seller.

A seller shall:

1. Furnish two copies of the notice of cancellation to the buyer, and complete both copies by entering the name of the seller, the address of the seller's place of business, the date of the transaction, and the date, not earlier than the third business day following the date of the transaction, by which the buyer may give notice of cancellation.

2. Not include in any contract or receipt any confession of judgment or any waiver of any of the rights to which the buyer is entitled under [this chapter](#) including specifically the right to cancel the sale in accordance with the provisions of [this chapter](#).

3. Inform each buyer orally, at the time the buyer signs the contract or purchases the goods or services, of the buyer's right to cancel.

4. Not misrepresent in any manner the buyer's right to cancel.

5. Honor any valid notice of cancellation by a buyer and within ten business days after the receipt of notice shall refund all payments made under the contract or sale, return any goods or property traded in, in substantially as good condition as when received by the seller, and cancel and return any negotiable instrument executed by the buyer in connection with the contract or sale and take any action necessary or appropriate to terminate promptly any security interest created in the transaction.

6. Not negotiate, transfer, sell, or assign any note or other evidence of indebtedness to a finance company or other third party prior to midnight of the seventh business day following the day the contract was signed or the goods or services were purchased.

7. Within ten business days of receipt of the buyer's notice of cancellation notify the buyer whether the seller intends to repossess or to abandon any shipped or delivered goods.

[C75, 77, §713B.4; C79, 81, §82.4]

C93, §555A.4

Referred to in §552A.3

555A.5 Effect on indebtedness.

Rescission of any contract pursuant to [this chapter](#) or the failure to provide a copy of the contract to the buyer as required by [this chapter](#) shall void any contract, note, instrument, or other evidence of indebtedness executed or entered into in connection with the contract and shall constitute a complete defense in any action based on the contract, note, instrument or other evidence of indebtedness brought by the seller, the seller's successors or assigns unless a successor or assignee of the seller after the seventh business day following the day the contract was signed has detrimentally relied upon a representation of the buyer that the contract has not been rescinded. [This section](#) shall not affect the rights of holders in due course of checks made by the buyer.

[C75, 77, §713B.5; C79, 81, §82.5]

C93, §555A.5

Referred to in §552A.3

555A.6 Penalties.

1. Any seller who violates the provisions of [this chapter](#) shall be guilty of a simple misdemeanor.

2. A violation of [this chapter](#) is a violation of [section 714.16, subsection 2](#), paragraph “a”.
[C75, 77, §713B.6; C79, 81, §82.6]
[92 Acts, ch 1062, §1](#)
C93, §555A.6