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**DIVISION 3. OBLIGATIONS [1427 - 3273.69]** ( *Heading of Division 3 amended by Stats. 1988, Ch. 160, Sec. 14. )*

**PART 4. OBLIGATIONS ARISING FROM PARTICULAR TRANSACTIONS [1738 - 3273.69]** ( *Part 4 enacted 1872. )*

**TITLE 2. CREDIT SALES [1801 - 1812.35]** ( *Title 2 added by Stats. 1959, Ch. 201. )*

**CHAPTER 1. Retail Installment Sales [1801 - 1812.20]** ( *Chapter 1 added by Stats. 1959, Ch. 201. )*

**ARTICLE 12.1. Repossession and Resale [1812.2 - 1812.5]** ( *Article 12.1 added by Stats. 1959, Ch. 201. )*

**1812.2.** In the event of any default by the buyer in the performance of his obligations under a contract or installment account, the holder, pursuant to any rights granted therein, may proceed to recover judgment for the balance due without retaking the goods, or he may retake the goods and proceed as hereinafter provided. If he retakes the goods, he shall, within 10 days, give notice to the buyer of his intention to sell the goods at public sale or give notice to the buyer of his intention to retain the goods in satisfaction of the balance due. The notice must state the amount of the overdue payments, that the buyer must pay, if he pays within 10 days of the notice, in order to redeem the goods. In either case the buyer shall have an absolute right to redeem the goods within 10 days after the notice is given by paying or tendering the amount owing under the contract. If the holder gives notice of election to sell the goods the buyer shall also have the absolute right to redeem the goods at any time before sale by paying or tendering the amounts specified above and also any expense reasonably incurred by the seller or holder in good faith in repairing, reconditioning the goods or preparing them for sale. If the holder gives notice of his intention to retain the goods in satisfaction of the indebtedness he shall be deemed to have done so at the end of the 10-day period if the goods are not redeemed; at the time the notice is given, the holder shall furnish the buyer a written statement of the sum due under the contract and the expenses provided for in this section. For failure to render such a statement the holder shall forfeit to the buyer ten dollars (\$10) and also be liable to him for all damages suffered because of such failure.

(Amended by Stats. 1963, Ch. 1952.)

**1812.3.** The notice provided for in Section 1812.2 shall be given to the buyer and any other person liable by causing it to be delivered personally or to be deposited in the United States mail addressed to the buyer or to such other person at his last known address and shall advise the buyer or such other person of his right to redeem as provided for in Section 1812.2. If the holder determines to sell the goods at public sale he shall give notice of the time and place of sale at least 10 days before the date of sale by delivering a copy of the notice personally to the buyer or other person liable or depositing the same in the United States mail addressed to the buyer or such other person at his last known address.

(Amended by Stats. 1961, Ch. 1214.)

**1812.4.** The proceeds of a resale shall be applied (1) to the payment of the expenses thereof, (2) to the payment of any expenses of retaking, including reasonable attorney's fees actually incurred, and of any expenses of keeping, storing, repairing, reconditioning or preparing the goods for sale to which the holder may be entitled, (3) to the satisfaction of the balance due under the contract. Any sum remaining after the satisfaction of such claims shall be paid to the buyer.

(Added by Stats. 1959, Ch. 201.)

**1812.5.** If the proceeds of the sale are not sufficient to cover items (1), (2) and (3) of Section 1812.4, the holder may not recover the deficiency from the buyer or from anyone who has succeeded to the obligations of the buyer.

(Amended by Stats. 1963, Ch. 1952.)