



Ohio Revised Code

Section 1317.21 Breach of layaway arrangement by buyer.

Effective: May 1, 1992

Legislation: House Bill 289 - 119th General Assembly

(A) Notwithstanding division (B) of section 1302.92 of the Revised Code and excluding layaway arrangements made pursuant to section 1317.22 of the Revised Code, when a seller justifiably withholds the delivery of specific goods because of the buyer's breach of a layaway arrangement, then both of the following apply:

- (1) The amount of the liquidated damages to which the seller is entitled shall not exceed the lesser of twenty-five dollars or ten per cent of the value of specific goods subject to the layaway arrangement.
- (2) The buyer is entitled to a refund of the balance of deposits and payments that he previously made pursuant to the layaway arrangement, determined after deducting the liquidated damages described in division (A)(1) of this section.

(B)(1) If a buyer fails to comply with the layaway arrangement, then, except as provided in division (C) and except for a buyer cancellation under division (F) of this section, the seller shall send a notice to the buyer in accordance with division (B)(2) of this section that contains all of the following information:

- (a) The fact that the buyer has failed to comply with the layaway arrangement;
- (b) A statement indicating whether the buyer has failed to comply with the layaway arrangement because he failed to pay the full layaway price when it was due, or because he failed to make one or more deposits or other payments when they were required to be made pursuant to the layaway arrangement, and a statement of the total amount presently owed by the buyer in order to remedy the breach and reinstate the layaway arrangement;
- (c) Unless, within ten days from the date of the giving of the notice in accordance with division (B)(2) of this section, the buyer complies with the layaway arrangement that he has breached by paying the total amount presently owed to remedy the breach and reinstate the layaway arrangement,



the seller may return the specific goods subject to the layaway arrangement to the retail inventory of the seller and offer the same for sale to other buyers.

(2) A seller shall give the notice required by division (B)(1) of this section to a buyer as follows:

(a) In a writing that is sent by certified mail, return receipt requested, or by regular mail evidenced by a properly completed and stamped certificate of mailing by regular mail, to the buyer's address as set forth by the buyer in the layaway arrangement or subsequent written notification of address change if applicable, or otherwise to the buyer's last known mailing address;

(b) At least ten days prior to the date that the seller intends to return the specific goods subject to the layaway arrangement to the retail inventory of the seller and offer the same for sale to other buyers.

(C) If the layaway price of the specific goods subject to the layaway arrangement is one hundred dollars or less, the seller need not send the notice required under this section if the seller furnished a written copy of the layaway arrangement to the buyer at the time the initial deposit or payment was paid and the copy indicated that the seller may retain liquidated damages in accordance with division (A) of this section in the event that the buyer breaches the layaway arrangement.

(D) Notwithstanding division (A) of this section, if the buyer breaches the layaway arrangement and if the seller is required to give the notice described in division (B)(1) of this section but fails to do so in accordance with division (B)(2) of this section, then both of the following apply:

(1) The seller forfeits his right to liquidated damages under division (A) of this section in connection with the buyer's breach of the layaway arrangement;

(2) The buyer is entitled to a refund of the entire amount of the deposits or payments that he previously made pursuant to the layaway arrangement.

(E) If a seller who is required to give the notice described in division (B)(1) of this section gives it in accordance with division (B)(2) of this section, and if the buyer fails, within ten days from the date of the giving of the notice in accordance with that division, to comply with the layaway arrangement that he has breached by paying the total amount presently owed in order to remedy the breach and



reinstate the layaway arrangement, then both of the following apply:

- (1) The seller may return any specific goods subject to the layaway arrangement to the retail inventory of the seller and offer it for sale to other persons.

- (2) The right of the seller to liquidated damages under division (A) of this section in connection with the buyer's breach of the layaway arrangement is not impaired and the buyer is entitled only to a refund of the balance of the deposits and payments that he previously made pursuant to the layaway arrangement as determined in accordance with that division.

- (F) The buyer may cancel the contract by giving written notice of cancellation to the seller at any time. Upon receipt of the notice, the seller shall consider the layaway arrangement terminated and shall provide a refund to the buyer pursuant to this section and section 1317.23 of the Revised Code.