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Abolition of the Confession of Judgment Note in Retail Installment Contracts in Pennsylvania

Gerald E. Bloom

ABOLITION OF THE CONFESSION OF JUDGMENT NOTE IN RETAIL INSTALLMENT SALES CONTRACTS IN PENNSYLVANIA*

INTRODUCTION

Confession of judgment is "the act of a debtor in permitting judgment to be entered against him by his creditor, for a stipulated sum, by a written statement to that effect or by warrant of attorney, without the institution of legal proceedings of any kind."[1] Although it has been nearly universally held that there is no difference in legal efficacy between a judgment entered by confession and a judgment based upon a jury verdict,[2] it is obvious that the former is summary in nature and not the product of an adjudication.[3] While thirty-three American jurisdictions provide for confession of judgment[4] in some form, Pennsylvania is one of only three states[5] which permit the use of judgment notes. The statutory authority for the use of judgment notes in Pennsylvania provides:

> It shall be the duty of the prothonotary of any court of record, within this commonwealth, on the application of any person, being the original holder (or assignee of such holder) of a note, bond or other instrument of writing, in which judgment is confessed, or containing a warrant for an attorney at law, or other person, to confess judgment, to enter judgment against the person or persons who executed the same, for the amount which from the face of the instrument may appear to be due, without the agency of an attorney, or declaration filed, with such stay of execution as may be therein mentioned, for the fee of one dollar, to be paid by the defendant; particularly entering on his docket the date and tenor of the instrument in writing on which the judgment may be founded, which shall have the same force and effect as if a declaration had been filed, and judgment confessed by an attorney, or judgment obtained in open court and in term time. . . .[6]

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* This paper was originally prepared for the Legislative Research Committee, an extra-curricular student research group at the law school assisting members of the General Assembly in Harrisburg, Pennsylvania.

1. BLACK'S LAW DICTIONARY 978 (4th ed. 1951).
2. O'Hara v. Manley, 140 Pa. Super. 39, 12 A.2d 830 (1940).
3. Bredin's Appeal, 92 Pa. 241, 247, 248 (1879).
4. For complete list of jurisdictions providing for confession of judgment, see Appendix *infra*.
5. See ILL. ANN. STAT. ch. 110, § 50(4) (Smith-Hurd 1961) and OHIO REV. CODE ANN. § 2323.13 (Baldwin 1953); for Pennsylvania statute; see note 6 *infra*.
6. PA. STAT. ANN. tit. 12 § 739 (1953).

In an era when consumer protection pervades the law of sales of goods through express and implied warranties,[7] quality control procedures, etc., the use of the judgment note may represent the most objectionable practice in consumer credit. It operates to the advantage of the fraudulent seller at the expense of the unwary low-income purchaser who is forced to rely upon installment buying for most of his purchases.

The judgment note usually operates in the following fashion. The consumer will purchase on credit an item of furniture for his home. In so doing he must sign an authorization of entry of confession of judgment *at the time he makes his purchase.* In obtaining the buyer's signature on the judgment note, the seller gains a dual advantage. First, invariably the low-income consumer is completely uninformed concerning the nature and consequences of his signing such an instrument at the time of the sale. Second, if the consumer discovers that the chattel is defective, his immediate reaction is to discontinue payment of further installments under the conditional sales contract. Such a decision on the part of the purchaser frequently leads to his financial ruination. For, as described by Philadelphia's former District Attorney, James C. Crumlish at the Donolow Committee Hearings: ". . . before he knows it, there has been an execution on the note and his house is about to be sold from under him."[8]

Such an occurrence is not uncommon, because in addition to his signing the judgment note, the unwary buyer will sign simultaneously an express waiver of his $300 personal exemption,[9] thereby leaving him at the mercy of his seller-creditor. Further, should the buyer reconsider and attempt to preserve his real estate or household furnishings after being delinquent on a single payment, "he would have had to pay the entire unpaid balance, an 'attorney's fee' of 10% of the balance, and a 'late charge' of 5%."[10]

An Adhesion Area

The most striking feature of this mercantile practice in Pennsylvania is the complete unavailability of a viable alternative to

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7. Uniform Commercial Code §§ 2-312-2-318 (1962).

8. May 10, 1962, at 145, as quoted in *Translating Sympathy For Deceived Consumers Into Effective Programs For Protection,* 114 U. Pa. L. Rev. 395, 418 (1965).

9. In lieu of the property now exempt by law from levy and sale on execution, issued upon any judgment obtained upon contract and distress for rent, property to the value of three hundred dollars, exclusive of all wearing apparel of the defendant and his family, and all bibles and school books in use in the family (which shall remain exempted as heretofore), and no more, owned by or in possession of any debtor, shall be exempt from levy and sale on execution or by distress for rent. Pa. Stat. Ann. tit. 12, § 2161 (1967).

10. *Translating Sympathy For Deceived Consumers Into Effective Programs For Protection, supra.*

the judgment note for the low, marginal and middle income consumer. It is these individuals who are the least susceptible to interim collection methods and most apt to be the subject of legal process. 54.2% of default judgments are attributable to marginal and submarginal income, while 80% are in the broader sub-median income group.[11] In a survey conducted among families who reported that they had been defrauded, the following reactions were recorded:

(1) 50% reported that they did nothing.
(2) 40% attempted to deal with the merchants themselves.
(3) Only 10% sought professional help.[12]

These enumerated income groups simply cannot afford to pay cash; therefore credit is indispensable.

Since the consumer must finance his transaction, he can only bargain upon the terms which a merchant offers to him. Professor Enrenzweig has defined "adhesion" as "agreements in which one party's participation consists in his mere 'adherence' often unwilling and often, unknowing, to a document drafted unilaterally and insisted upon by what is usually a powerful enterprise."[13] Thus, a consumer who wishes to purchase on credit will have to sign a judgment note and, in addition, he may have to expressly waive his statutory $300 exemption. In such a case, it certainly cannot be argued that the respective bargaining positions of buyer and seller approach equality.

UNCONSCIONABILITY

It appears that in many, if not all, instances the use of the judgment note flies directly into the face of Uniform Commercial Code Section 2-302, which prohibits an unconscionable contract or clause. Pursuant to section 2-302 of the U.C.C., if the court as a matter of law finds the contract, or any clause of the contract, to have been unconscionable at the time it was made, it can exercise any of three alternatives. First, if the contract is permeated by unconscionability the court may refuse to enforce the contract as a whole. Second, the court may enforce the remainder of the contract without the unconscionable clause. Finally, a court may so limit the application of any unconscionable clause in order to avoid any unconscionable result. It should be noted that Comment 1 to

11. Resort to Legal Process in Collecting Debts; Alternative Methods for Allocating Present Costs, 14 U.C.L.A. L. REV. 879, 896 (1967).
12. *Id.* at 900.
13. Ehrenzweig, *Adhesion Contracts in the Conflict of Laws*, 53 COLUM. L. REV. 1072, 1075 (1953).

section 2-302 prevents invoking the protection of that section if the provision in question is merely the result of the seller's superior bargaining power; however, he may seek its protection in order to prevent oppression and unfair surprise.[14]

Due Process Considerations

The foregoing discussion outlines possible judicial courses of action in limiting the unconscionable effects of the judgment note. But it appears that, except for a ruling of unconstitutionality, the hands of the judiciary are tied by the Act authorizing the use of the judgment note.[15]

Not only does this commercial *modus operandi* fail to provide the consumer with notice, but it also deprives him of an opportunity to raise defenses before the judgment is executed. The lack of notice in judgments by confession may in the near future render such notes unconstitutional as failing to comply with the due process clause of the fourteenth amendment of the Federal Constitution.[16] The State's financial concerns who defend and perpetuate the elimination of notice, contend that such notice is wholly unnecessary since the defendant has already consented to such waiver.[17] Such reasoning however, overlooks the adhesive nature of the Pennsylvania judgment note. Thus, while it has been repeatedly held that the defendant's signature upon the judgment note constitutes consent to waiver of notice, such "consent" is fictitious since the low income consumer understands neither the character nor possible ramifications of the note.

Similarly, the proponents of the judgment note insist that its unassailed one hundred sixty-two year existence attests to its being not only constitutional but also essential in commercial financing. However, consumers obtain credit and purchase on the installment method in large, predominantly commercial states which have continued to function effectively after abolishing confession of judgment in any form.[18] This greatly detracts from the "commercial necessity" contention. Also, longevity can, by no means, be equated with constitutionality. If such were the case, the doctrine of "separate, but equal" as enunciated in *Plessy v. Ferguson*[19]

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14. Campbell Soup Co. v. Wentz, 172 F.2d 80 (3d Cir. 1948).

15. Act of February 24, 1806, P.L. 334, 4 Sm. L. 270 § 28, as amended, 12 P.S. 739.

16. No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws.

U.S. Const. amend. XIV, § 1.

17. Interview with Finance Company Manager.

18. *See, e.g.*, Cal. Comm. Code § 1804.1 (1964); Md. Ann. Code art. 83, § 130(b) (1957); N.J. Stat. Ann. § 17: 16C-37 (1963); N.Y. Pers. Prop. Law § 403(3)(c) (1962).

19. 163 U.S. 537 (1896).

would still represent the law. However, nearly sixty years after its initial pronouncement, the doctrine was struck down as inherently unfair.[20] Today few, if any, would contest the statement that "separate . . . facilities are inherently unequal."[21]

If a nation remains insensitive to the needs of a large segment of its populace for over a century, then a state may be excused for myopic inaction when change is warranted and essential. Such change must certainly be effected, preferably by the legislature since the judgment note is a creature of statute. However, if the legislature's reluctance to act produces a test case, the concern of the United States Supreme Court for the protection of the rights of the individual, particularly the underprivileged individual, may cause it to declare the enforcement of such notes without notice unconstitutional.[22] The Court should rule such notes unconstitutional because a default in the payment of a note places upon the defendant the financial onus of opening judgment without the benefit of timely notice and, in many cases, without the opportunity of asserting defenses. With the exception of particular bailment situations[23] and the doctrine of *res ipsa loquitur*,[24] the plaintiff must sustain his burden of proof in a civil court. Yet, Pennsylvania

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20. Brown v. Board of Education, 347 U.S. 483 (1954).

21. *Id.* at 495.

22. *Developments in the Law-State Court Jurisdiction*, 73 HARV. L. REV. 909 (1960).

23. [I]n many cases it is very difficult, if not impossible, for the bailor to prove lack of care on the part of the bailee. The bailee simply fails to return the goods on demand. The reason for such failure is ordinarily not known to the bailor but only to the bailee. To require the bailor to prove that the failure to return was due to the negligence of the bailee might impose on him a task impossible of accomplishment, and effectually deny recovery altogether.

In situations of this character, the law has not been unmindful of the plaintiff's predicament and has acted to assist him in several ways. It may shift to the defendant the burden of presenting the evidence as to the specific cause of the plaintiff's loss damage. It may go further and, instead of requiring the plaintiff to convince the jury or other trier of the facts by a preponderance of the evidence that the defendant was negligent, may require the defendant to prove in like manner that he was not negligent.

BROWN, THE LAW OF PERSONAL PROPERTY § 87 (1955).

24. In order for the court to apply the principle of *res ipsa loquitur*, three conditions must exist: (1) the event must be of a kind which ordinarily does not occur in the absence of someone's negligence; (2) it must be caused by an agency or instrumentality within the exclusive control of the defendant; (3) it must not have been due to any voluntary action or contribution on the part of the plaintiff. Kunzie v. Leeds, 66 Ohio App. 469, 34 N.E.2d 448 (1941); Cratty v. Samuel Aceto & Co., 151 Me. 126, 116 A.2d 623 (1955); Shaw v. Pacific Greyhound Lines, 50 Cal. App. 2d 153, 323 P.2d 391 (1958); Mitchom v. City of Detroit, 355 Mich. 182, 94 N.W.2d 388 (1959). PROSSER, TORTS § 39 (3d ed. 1964).

has insisted that the defendant-debtor show cause for the opening of judgment in an adhesion contract. It is submitted that, in the area of the judgment note, expediency should yield to due process considerations; if this commercial practice is to be continued, the financing industry must justify its *raison d' etre.*

JUDGMENT NOTE IN PRACTICE

More often than not, the note has been renegotiated to a holder in due course, against whom only the real defenses enumerated in U.C.C. section 3-305(2) are availing.[25] If the consumer-maker possesses only a personal defense, it will be unavailing against a person who has taken the note for value, in good faith, and without notice that it is overdue or of any defense on the part of any person.[26] However,

> even if defenses are available and there is truth to a finance company attorney's statement that after execution 'anyone with any type of defense could open a judgment,' most people would certainly be unwilling (if not completely incapable) to pay approximately $300 to unravel something which should have been straightened out in the first instance when the complaint was made.[27]

The final impediment to the buyer-maker's petition to open judgment is the prohibitive cost of such proceedings. While several county bar associations have established the minimum fee for opening a judgment at $150,[28] it has been estimated that the average fee charged for handling such a case in Philadelphia is in excess of $300.[29] Obviously, a consumer who does not have the financial means to make installment payments on the purchased article, will not be able to initiate proceedings to open judgment.

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25. UNIFORM COMMERCIAL CODE § 3-305 (1962).
Rights of a Holder in Due Course:
To the extent that a holder is a holder in due course he takes the instrument free from
(1) all claims to it on the part of any person; and
(2) all defenses of any party to the instrument with whom the holder has not dealt except
(a) infancy, to the extent that it is a defense to a simple contract; and
(b) such other incapacity, or duress, or illegality of the transaction, as renders the obligation of the party a nullity; and
(c) such misrepresentation as has induced the party to sign the instrument with neither knowledge of its character or its essential terms; and
(d) discharge in insolvency proceedings; and
(e) any other discharge of which the holder has notice when he takes the instrument.

26. UNIFORM COMMERCIAL CODE § 3-302(1) (1962).

27. Testimony of former Philadelphia District Attorney James C. Crumlish, Jr. at the Donolow Committee Hearings, May 10, 1962 at 145.

28. *See, e.g.*, Erie Bar Association Minimum Fee Bill, adopted April 1, 1967, p. 13. Philadelphia Bar Association Minimum Fee Bill, adopted December 29, 1964, p. 28.

29. Testimony of James C. Crumlish, Jr. at the Donolow Committee Hearings, May 10, 1962, at 145.

Even where a consumer-maker is financially able to petition to open judgment, such proceedings are both costly and time consuming to the petitioner. Here the petitioning consumer, in contrast to nearly all other areas of American law, must sustain the burden of proof. Two relatively recent Pennsylvania cases illustrate the undue advantage which the judgment note affords the unscrupulous seller against the unsuspecting buyer. In *Imperial Consumer Service, Inc. v. Walton*[30] the defendant-buyer purchased a swimming pool from the plaintiff company. During the contract negotiations, defendants alleged that a salesman of the company had practiced fraud upon them by reassuring them that no judgment note was being signed. Also the defendant-husband involved was suffering with cataracts of the eyes, necessitating the signing of his name with the aid of a magnifying glass. In this case, the defendants were obviously allowed into defense, but not until they had overcome the plaintiff's tactical advantage afforded by the judgment note.

A similar case is *Fidelity Trust Co. v. Gardiner*[31] in which the defendant-buyer entered a contract for the covering of his home with aluminum siding with a company, which was *prima facie* engaged in work of this type. The defendants alleged that a salesman who posed as an agent for the company with whom they believed they were dealing, fraudulently induced them to sign a judgment note by means of false representations. Again, the defendants were let into a defense, but not before it was determined that the note was non-negotiable *ab initio*,[32] that the defendant-makers had only an eighth grade education and were inexperienced in business affairs, and that alleged fraud had been perpetrated upon the defendant-makers.

These cases and others of similar result,[33] illustrate the tactical benefit which the judgment note affords the fraudulent seller in his attempt to deceive the often aged, uneducated, afflicted or commercially unsophisticated buyer.

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30. 78 Montg. Co. L. R. 37; Del Duca, *Commercial Code Reporter*, 3-305(2)-1 (1960).

31. 191 Pa. Super. 17, 155 A.2d 405 (1959).

32. Since the note authorized the power to confess judgment at any time, it was properly ruled non-negotiable, as being contrary to the provisions of U.C.C. § 3-112[1][d].

33. See Budget Charge Accounts, Inc. v. Mullaney, 187 Pa. Super. 190, 144 A.2d 438 (1958); and Century Appliance Co. v. Groff, 56 Lanc. Rev. 67a (1958).

These extreme inequities prompted the framers of the Uniform Consumer Credit Code to propound the following provision:

Confession of Judgment

> A debtor may not give a power of attorney to any person to confess judgment on a claim arising out of a consumer loan. A power of attorney given in violation of this section is void.[34]

Such provision also finds support in seventeen states, including California, Connecticut,[35] Maryland, New Jersey and New York, which have outlawed all forms of confession of judgment in their respective retail sales acts.[36]

The Pennsylvania legislature as well as the Civil Procedure Rules Committee should also be cognizant of congressional concern for consumer protection as evidenced by pending legislation entitled the Consumer Credit Protection Act.[37] This bill provides, *inter alia*, for full disclosure of the terms and conditions of finance charges in credit transactions or in offers to extend credit, as well as including restrictions upon the amount of the consumer's salary which may be garnished. This latter practice of garnishing the consumer's salary without informing him of the limits to which such garnishment can be practiced is "frequently an essential element in predatory extensions of credit."[38] Thus, several state legislatures and Congress have realized the importance of eliminating deceptive consumer practices, of which the judgment note is one of the most blatant and potentially the most fraudulent.

Recently, the Pennsylvania legislature passed the Goods and Services Installment Sales Act[39] in an attempt to enlighten and protect the oft-deceived consumer. This Act encompasses transactions which are not within the scope of the Motor Vehicle Sales Finance Act[40] or the Home Improvement Finance Act.[41] Among the more important features of the 1966 Installment Sales Act are the following provisions:

(1) use of prescribed minimum sized print;
(2) use of bold-face print to call buyer's attention to salient features of the written agreement;
(3) regulation of the extent to which service charges may be assessed on installment sales contracts;
(4) date disclosure; and
(5) a provision for negotiability and assignment: No con-

34. Working Draft No. 6, § 3.407, adopted December 4, 1967 by the National Conference of Commissioners on Uniform State Laws.
35. CONN. GEN. STAT. REV. § 42-88 (1962).
36. *See* note 18 *supra*.
37. Working Draft H.R. 11601 *Consumer Credit Protection Act*, p. 15.
38. *Id.*
39. PA. STAT. ANN. tit. 69, §§ 1101-2303 (1966).
40. PA. STAT. ANN. tit. 69, §§ 601-637 (1965).
41. PA. STAT. ANN. tit. 7, §§ 500-101 (1966).

> tract or obligation shall contain any provision by which buyer agrees not to assert a claim or defense arising out of the sale against an assignee unless given notice of assignment to buyer and within forty-five days of notice, receives no return notice of defenses.

Such legislation is consistent with the Consumer Credit Protection Act[42] now pending in Congress. However, there is nothing comparable on the federal level to the judgment note which would dilute the effect of the federal legislation. But for any comparable legislation in Pennsylvania to be effective, the judgment note must be either abolished or its effect upon the consumer should be drastically reduced.

Suggested Alternatives

Except for Pennsylvania, Ohio and Illinois, the jurisdictions which provide for confession of judgment refuse to recognize the use of the judgment note. The states refusing to recognize judgment notes provide for confession of judgment in one of two ways. First, a debtor may sign an office confession of judgment in the clerk's office of the local court.[43] The statement is a prepared one to which the debtor must subscribe his name. Michigan has a similar, though less formalized provision, which specifies that if the debtor is to confess judgment at all, it must be confessed in a *separate instrument.*[44] The second alternative provides for confession of judgment in open court with the proper jurisdiction.[45] Each alternative is highly preferable to the use of the judgment note, since each involves an independent, volitional act on the part of the debtor acknowledging his indebtedness in the presence and protection of an officer of the law.

The elementary, but often overlooked, rules of commercial fair play and constitutional due process demand the abolition of the one hundred sixty-two year old judgment note in Pennsylvania. But the state's financial concerns vigorously support the status quo. It is claimed by the state's business interests that it saves attorney's fees since there are no complaints to file, no defenses to defeat and little probability that a court might decide that the money is not owing. But the argument that the judgment note is a "necessary expedient" is completely unavailing. While it is claimed that the procedure spares the cost of an attorney, the defendant must invariably incur the expense of counsel to open judgment; and it is the

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42. Working Draft H.R. 11601, *supra* note 36.
43. Miss. Code Ann., § 1551 (1956).
44. Mich. Comp. Laws Ann. tit. 27A, § 2906 (1967).
45. Ark. Stat. Ann. tit. 29, § 301 (1962).

defendant-buyer who can least afford to bear such cost. Therefore, the practice represents an expedient only to the business community, which thus far has been able to maintain the anachronism via a vocal, well-organized lobby.

Unfortunately, while the consumer is one of society's largest interest group, it, regrettably, has no lobby. While the Legal Aid Services located within the State have helped to reduce the low-income consumer's burden in petitioning to open judgment, such services simply do not reach sufficient numbers of consumers to operate as a viable alternative to abolition of the judgment note.

Proposed Rule Revisions

The Civil Procedure Rules Committee of the Pennsylvania Supreme Court has recently proposed revisions in the rules for confession of judgments.[46] Substantial changes have been suggested with regard to the collection of attorney's fees in confessions by the prothonotary under the Act of 1806. If the proposed rule were adopted, it would no longer be permissible for the prothonotary in confessing judgment under Rule 2951(a) to include attorneys' fees in the judgment itself. This proposal was prompted by the concern of some prothonotaries over their power to confess a judgment for more than the face amount of the note if the addition of either interest or attorneys' fees had this result. The proposed rule now makes it clear that this will be permissible, but only as to the addition of interest calculable from the face of the instrument.[47]

Similarly Rule 2958, providing for notice to the debtor which cannot be waived and Rule 2960 which streamlines the proceedings of the opening of judgment have been proposed for the consumers' protection.[48] While these rules are directed at aiding the debtor, they do not reach the core of the problem. The objectionable features of the confession of judgment are its failure to invoke the legal process, the unavailability of a viable alternative and the oppression, whether potential or actual, of the commercially unwary. Such abuses can be remedied only by abolition of the confession of judgment or by confessing judgment by a separate volitional act.

Conclusion

In the light of the unnecessary litigation, the inherent coercion, and the gross unfairness to the unwary consumer which directly result from the judgment note, and in view of the overwhelming trend in the direction of consumer protection, the Pennsylvania legislature should join its sister states of New York, New Jersey and Maryland in abolishing the judgment note in retail installment sales contracts.

Gerald E. Bloom

46. The Legal Intelligencer, July, 1968, at 1, col. 1.
47. *Id.* at 5.
48. *Id.*

Appendix

Jurisdiction	*Status of Confession of Judgment in R.I.K.**	*Statute Section*
Alabama	void	ALA. CODE tit. 20, § 16 (1966).
Alaska	permitted	ALASKA STAT. § 09.30.050 (1962).
Arizona	permitted	ARIZ. REV. STAT. ANN. § 22-219 (1956).
Arkansas	permitted	ARK. STAT. ANN. § 29-301 (1947).
California	void	CAL. COMM. CODE : 1804.1 (1964).
Colorado	void	COLO. REV. STAT. ANN. § 13-16-6 (1963).
Connecticut	void	CONN. GEN. STAT. REV. § 42-88 (1962).
Delaware	permitted	DEL. CODE ANN. tit. 10, § 4717 (1953).
Florida	void	FLA. STAT. ANN. § 55.05 (1961).
Georgia	permitted	GA. CODE ANN. § 110-601 (1935).
Hawaii	permitted	HAWAII REV. LAWS § 201A-12 (1955).
Idaho	permitted	IDAHO CODE ANN. § 10-901 (1947).
Illinois	judgment note	ILL. ANN. STAT. ch. 110, § 50(4) (Smith-Hurd 1961).
Indiana	permitted	INDIANA ANN. STAT. § 4-3610 (1933).
Iowa	permitted	IOWA CODE § 676.1, .2.
Kansas	permitted	KAN. STAT. ANN. § 52-205 (1963).
Kentucky	permitted	KY. REV. STAT. ANN. § 454.090-.100 (1963).
Louisiana	permitted	LA. REV. STAT. ANN. § 13-842 (1950).
Maine	permitted	ME. REV. STAT. ANN. tit. 9, § 3084 (1964).
Maryland	void	MD. ANN. CODE art. 83, § 130b (1957).
Massachusetts	void	MASS. GEN. LAWS ANN. ch. 255B, § 20 (1958).
Michigan	permitted	MICH. STAT. ANN. § 27A.2906 (1962).
Minnesota	void	MINN. STAT. ANN. § 168.71(a)(2) (1945).
Mississippi	permitted	MISS. CODE ANN. § 1551 (1956).
Missouri	permitted	MO. ANN. STAT. § 511.100 (1945).
Montana	void	MONT. REV. CODES ANN. § 13-811 (1947).
Nebraska	permitted	NEB. REV. STAT. § 25-907 (1943).
Nevada	permitted	NEV. REV. STAT. § 17-090 (1957).
New Hampshire	void	N.H. REV. STAT. ANN. § 361-A:7VIII-1 (1955).
New Jersey	void	N.J. STAT. ANN. § 17: 16C-37 (1963).
New Mexico	permitted	N.M. STAT. ANN. § 21-9-10 (1953).
New York	void	N.Y. PERS. PROP. LAW § 403(3)(c) (1962).
North Carolina	permitted	N.C. GEN. STAT. § 1-247 (1943).
North Dakota	void	N.D. CENT. CODE § 51-13-02(13) (1943).
Ohio	judgment note	OHIO REV. CODE ANN. § 2323.13 (Baldwin 1953).
Oklahoma	permitted	OKLA. STAT. ANN. tit. 12, § 689 (1951).
Oregon	void	ORE. REV. STAT. § 83.670[1] (1953).
Pennsylvania	judgment note	PA. STAT. ANN. tit. 12, § 739 (1953).
Rhode Island	permitted	R.I. GEN. LAWS ANN. § 19-25-24 (1956).
South Carolina	void	S.C. CODE ANN. § 8-709 (1962).
South Dakota	permitted	S.D. CODE § 37:0301 (Supp. 1960).
Tennessee	void	TENN. CODE ANN. § 25-201 (1955).
Texas	void	TEX. REV. CIV. STAT. art. 2224 (1948).
Utah	permitted	UTAH CODE ANN. § 78-22-3 (1953).
Vermont	permitted	VT. STAT. ANN. tit. 12, § 2139 (1959).
Virginia	permitted	VA. CODE ANN. § 8-355 (1950).
Washington	permitted	WASH. REV. CODE ANN. § 4.60.050 (1961).
West Virginia	permitted	W. VA. CODE ANN. § 56-4-48 (1966).
Wisconsin	permitted	WIS. STAT. ANN. § 270.69 (1957).
Wyoming	permitted	WYO. STAT. ANN. § 1-309 (1957).

* Retail Installment Sales Contracts.