

Tillman v. commercial credit loans, inc

Law



Tillman v. Commercial Credit Loans, Inc Issue Tillman v. commercial credit loans, Inc was a case preceded over by a Californian court. The complainants in this case were Lee Tillman and Shirley Richardson. Both complainants were unable to clear their loans with CitiFinancial Services, Inc causing the company to sell their insurance premium.

Rule

This essay will therefore analyze Tillman v. Commercial Credit Loans, Inc case study according to the contract rule.

Analysis

Contractual unconscionability is the tendency of a contract to be extremely favorable to the side or person with superior bargaining abilities. According to the case study, I consider the decision taken by the credit company to be against the majority. The court ruling in connection with the cases or any appeal in connection with the case was subject to influence by the sub-prime loan crisis. This is because sub-loan crisis affected the American housing industry through high interest rates.

Contractual unconscionability has both the positive side and a negative side. The negative aspect results from the dictatorial nature of the contract. This is because an individual has limited abilities to challenge the contract. On the other hand, unconscionable contracts create equality that protects the majority or matters of national interest. According to the case study, unconscionable contracts are vital. This is because a country or a state needs to have some basic standards or rules that cannot be challenged by individual interests. Unconscionable contracts eliminate potential challenges to contracts of national interests such as contracts made between financial lenders and individual borrowers.

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Conclusion

Such contracts also maintain vital industries such mortgage providers and players in the insurance industry. Unconscionable contracts are therefore vital and individuals should learn to accept their existence and implication.