

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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SENATE BILL 1119

Short Title: Joint Obligors/Credit Line.

(Public)

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Sponsors: Senator Marshall.

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Referred to: Judiciary I.

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May 11, 1993

A BILL TO BE ENTITLED

AN ACT TO PROVIDE THAT A JOINT OBLIGOR MAY DIRECT A BUSINESS ENTITY TO CEASE MAKING ADVANCES ON A LINE OF CREDIT UNDER A CREDIT CARD, CHARGE CARD, OR REVOLVING ACCOUNT HELD JOINTLY BY THE PARTIES.

The General Assembly of North Carolina enacts:

Section 1. G.S. 24-11 is amended by adding the following new subsection to read:

"(f) If the parties to a loan or extension of credit governed by this section are joint obligors, then loan or extension of credit documents shall state that the lender shall cease providing advances or other credit upon written direction of one of the joint obligors."

Sec. 2. G.S. 24-11.1(b) reads as rewritten:

"(b) Disclosures. – The following disclosures shall be clearly and conspicuously made in or with all documents described in subsection (a) of this section:

- (1) The annual percentage rate or, if the rate may vary, a statement that it may vary, the circumstances under which the rate may increase, any limitations on the increase, and the effects of the increase on the other terms of the agreement.
- (2) The date or occasion upon which the finance charge begins to accrue on a transaction and the duration of any grace period.
- (3) Whether an annual fee is charged and the amount of the fee.

1 (4) Any delinquency charge, late charge, or collection charge which may  
2 be assessed for the late payment of any installment, including the  
3 terms and conditions for the imposition of such charge.

4 (5) If the borrowers are joint obligors on the credit card, then credit card  
5 documents shall state that the lender shall cease providing advances or  
6 other credit upon written direction of one of the joint obligors."

7 Sec. 3. G.S. 24-11.2(b) reads as rewritten:

8 "(b) Disclosures. – The following disclosures shall be clearly and conspicuously  
9 made in or with all documents described in subsection (a) of this section:

10 (1) The annual fee and other charges, if any, applicable to the issuance or  
11 use of the charge card.

12 (2) That charges incurred by the use of the charge card are due and  
13 payable upon receipt of a periodic statement of charges.

14 (3) Any delinquency charge, late charge, or collection charge which may  
15 be assessed for late payment, including the terms and conditions for  
16 the imposition of such charge.

17 (4) If the borrowers are joint obligors on the charge card, then credit  
18 documents shall state that the lender shall cease providing advances or  
19 other credit upon written direction of one of the joint obligors."

20 Sec. 4. This act becomes effective October 1, 1993, and applies to credit  
21 agreements executed on or after that date.