

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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SENATE BILL 681

Short Title: Late Fee Amendment.

(Public)

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Sponsors: Senator Johnson.

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Referred to: Judiciary II.

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April 5, 1993

A BILL TO BE ENTITLED

AN ACT TO PERMIT LENDERS TO CURE LOAN DOCUMENTS WHICH MIGHT VIOLATE THE RESTRICTIONS ON LATE CHARGES AS INTERPRETED BY THE NORTH CAROLINA SUPREME COURT.

The General Assembly of North Carolina enacts:

Section 1. G.S. 24-10.1 is amended by adding the following subsection:

"(c) The provisions of this subsection apply only to home loans made by lenders described in G.S. 24-1.1A(a)(2). Notwithstanding that the note or other loan document sets forth a late payment charge in excess of that permitted in this section, the loan shall not be deemed to be unlawful if:

(1) No late fee in excess of those permitted in this section has been assessed or collected by the lender; and

(2) a. If the loan is executed on or after the effective date of this act, the lender provides written notice to the borrower within 90 days of the date of execution of the loan documents that the late payment charge with respect to the loan shall be four percent (4%) or less; or

b. If the loan was executed prior to the effective date of this subsection, the lender provides written notice to the borrower within six months of that date, that the late payment charge with respect to the loan shall be four percent (4%) or less."

Sec. 2. This act is effective upon ratification.