

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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SENATE BILL 412
House Committee Substitute Favorable 6/14/95

Short Title: Usury Preemption/Late Charges.

(Public)

Sponsors:

Referred to:

March 20, 1995

A BILL TO BE ENTITLED

AN ACT TO MODIFY THE LAW CONCERNING THE FEDERAL PREEMPTION OF STATE USURY LAWS AND TO RAISE THE MAXIMUM LATE PAYMENT CHARGE FOR REVOLVING CREDIT LOANS.

The General Assembly of North Carolina enacts:

Section 1. G.S. 24-2.3 reads as rewritten:

"§ 24-2.3. State opt-out from federal preemption.

(a) The provisions of section 501, ~~and the amendments made by section 521-524 of~~ United States Public Law 96-221, as well as any modifications made to date, shall not apply to loans, mortgages, credit sales and advances made in this State.

(b) Effective July 1, 1995, sections 521-524 of United States Public Law 96-221, shall apply to loans, mortgages, credit sales, and advances made in this State on or after that date as if North Carolina had never opted out of sections 521-524 of United States Public Law 96-221.

Sec. 2. G.S. 24-11(d1) reads as rewritten:

"(d1) A lender may charge a party to a loan or extension of credit governed by this section a late payment charge not to exceed five dollars (\$5.00) on accounts having an outstanding balance of less than one hundred dollars (\$100.00) and ten dollars (\$10.00) on accounts having an outstanding balance of one hundred dollars (\$100.00) or more, for

1 any payment past due for 30 days or ~~more.~~ more; provided, in no case shall the late
2 charge exceed the outstanding principal balance. If a late payment charge has been once
3 imposed with respect to a late payment, no late charge shall be imposed with respect to
4 any future payment which would have been timely and sufficient but for the previous
5 default."

6 Sec. 3. This act becomes effective July 1, 1995, and Section 2 applies to
7 payments due and payable on or after that date.