

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2005

H

2

HOUSE BILL 1411  
Committee Substitute Favorable 5/10/05

Short Title: Update Consumer Credit Sales Cap.

(Public)

---

Sponsors:

---

Referred to:

---

April 21, 2005

A BILL TO BE ENTITLED

1 AN ACT TO UPDATE THE CAP FOR THE AMOUNT FINANCED THAT FALLS  
2 WITHIN THE MEANING OF A CONSUMER CREDIT SALE IN ORDER TO  
3 REFLECT THE INCREASE IN THE COST OF CONSUMER GOODS AND  
4 SERVICES DUE TO INFLATION.  
5

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.** G.S. 25A-1 reads as rewritten:

8 "**§ 25A-1. Scope of act.**

9 This Chapter applies only to consumer credit sales as hereinafter defined, except that  
10 G.S. 25A-37, referral sales, applies to all sales of goods or services as provided therein.  
11 This Chapter does not apply to a bona fide direct loan transaction in which a lender  
12 makes a direct loan to a borrower, and such lender is not regularly engaged, directly or  
13 indirectly, in the sale of goods or the furnishing of services as defined in this Chapter.

14 Except for G.S. 25A-37, referral sales, ~~and~~ those sales defined in G.S. 25A-2(b), and  
15 those sales with amounts financed in excess of twenty-five thousand dollars (\$25,000)  
16 under G.S. 25A-2(a)(5), this Chapter does not apply to any party or transaction that is  
17 not also subject to the provisions of the Consumer Credit Protection Act (Federal  
18 Truth-in-Lending Act)."

19 **SECTION 2.** G.S. 25A-2(a) reads as rewritten:

20 "**§ 25A-2. 'Consumer credit sale' defined.**

21 (a) Except as provided in subsection (c) of this section, a "consumer credit sale"  
22 is a sale of goods or services in which

- 23 (1) The seller is one who in the ordinary course of business regularly  
24 extends or arranges for the extension of consumer credit, or offers to  
25 extend or arrange for the extension of such credit,
- 26 (2) The buyer is a natural person,
- 27 (3) The goods or services are purchased primarily for a personal, family,  
28 household or agricultural purpose,

- 1           (4)    Either the debt representing the price of the goods or services is  
2           payable in installments or a finance charge is imposed, and  
3           (5)    The amount financed does not exceed ~~twenty-five thousand dollars~~  
4           ~~(\$25,000)~~ seventy-five thousand dollars (\$75,000) or, in the case of a  
5           debt secured by real property or a manufactured home as defined in  
6           G.S. 143-145(7), regardless of the amount financed."

7           **SECTION 3.** This act becomes effective October 1, 2005, and applies to  
8 sales that occur on or after that date.