

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2007

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SENATE BILL 1082

Short Title: Commercial Loan Interest. (Public)

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Sponsors: Senators Hunt; Blake, Brock, East, and Tillman.

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Referred to: Commerce, Small Business and Entrepreneurship.

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March 22, 2007

1 A BILL TO BE ENTITLED  
2 AN ACT TO REQUIRE LENDERS TO DISCLOSE COMMERCIAL LOAN  
3 INTEREST ACCRUAL SCHEDULES.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. G.S. 22-5 reads as rewritten:

6 "§ 22-5. **Commercial loan commitments.**

7 No commercial loan commitment by a bank, savings and loan association, or credit  
8 union for a loan in excess of fifty thousand dollars (\$50,000) shall be binding unless the  
9 commitment is in writing and signed by the party to be bound. If interest on the  
10 commercial loan accrues on a schedule that is different from the payoff schedule of the  
11 loan, the written loan commitment shall clearly state that fact. As used in this section,  
12 the term "commercial loan commitment" means an offer, agreement, commitment, or  
13 contract to extend credit primarily for business or commercial purposes and does not  
14 include charge or credit card accounts, personal lines of credit, overdrafts, or any other  
15 consumer account. Offers, agreements, commitments, or contracts to extend credit  
16 primarily for aquaculture, agricultural, or farming purposes are specifically exempted  
17 from the provisions of this section."

18 SECTION 2. This act becomes effective October 1, 2007, and applies to  
19 loan commitments entered into on or after that date.