

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

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HOUSE BILL 685

Short Title: Mft'd Home Purchase Agreement Changes. (Public)

Sponsors: Representatives Szoka, Watford, Zachary, and Goodman (Primary Sponsors).
For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Banking

April 11, 2017

1 A BILL TO BE ENTITLED
2 AN ACT TO AMEND THE REQUIREMENTS RELATED TO MANUFACTURED HOME
3 PURCHASE AGREEMENTS.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. G.S. 143-143.21A reads as rewritten:

6 "§ 143-143.21A. Purchase agreements; buyer cancellations.

7 (a) A purchase agreement for a manufactured home shall include all of the following:

8 (1) A description of the manufactured home and all accessories included in the
9 purchase.

10 (2) The purchase price for the home and all accessories.

11 (3) The amount of initial deposit ~~or other payment toward or payment of toward~~
12 the purchase price of the manufactured home and accessories that is made by
13 the buyer.

14 (4) The date the retail purchase agreement is signed.

15 ~~(5) The estimated terms of financing the purchase, if any, including the~~
16 ~~estimated interest rate, number of years financed, and monthly payment.~~

17 (6) The buyer's signature.

18 (7) The dealer's signature.

19 (a1) For purposes of this section, "initial deposit" means any money paid to the dealer by
20 the buyer before midnight of the third business day after the date the buyer signed the purchase
21 agreement.

22 (b) ~~The purchase agreement following notice, entitled "Notice of Right of~~
23 Cancellation," shall be provided by the dealer and signed by the buyer at the time of the initial
24 deposit and, in accordance with subsection (c) of this section, shall contain, in immediate
25 proximity to the space reserved for the signature of the buyer and in at least ten point, all
26 upper-case Gothic type, the following statement:

27 "I UNDERSTAND THAT I HAVE THE RIGHT TO CANCEL THIS PURCHASE
28 BEFORE MIDNIGHT OF THE THIRD BUSINESS DAY AFTER THE DATE THAT I
29 HAVE SIGNED THIS AGREEMENT. I UNDERSTAND THAT THIS CANCELLATION
30 MUST BE IN WRITING. IF I CANCEL THE PURCHASE AFTER THE THREE-DAY
31 PERIOD, I UNDERSTAND THAT THE DEALER MAY NOT HAVE ANY OBLIGATION
32 TO GIVE ME BACK ALL OF THE MONEY THAT I PAID THE DEALER.—I
33 UNDERSTAND ANY CHANGE TO THE TERMS OF THE PURCHASE AGREEMENT BY
34 THE DEALER WILL CANCEL THIS AGREEMENT."



1 (c) At the time the initial deposit or other payment toward or payment for toward the
2 purchase price is received by the dealer, the dealer shall give the buyer a copy of the purchase
3 agreement and a completed form in duplicate, captioned "Notice of Right of Cancellation,"
4 which shall be attached to the purchase agreement, be easily detachable, and explain the buyer's
5 right to cancel the purchase and how that right can be exercised. The buyer shall have the right
6 to cancel the purchase agreement until midnight of the third business day following the signing
7 of the purchase agreement by notifying the dealer of the intention to do so. The buyer is only
8 entitled to one Notice of Right of Cancellation and to receive a refund of the initial deposit.

9 (d) The dealer shall return the initial deposit or other payment paid before the
10 cancellation period expires toward or payment for the purchase price to the buyer if the buyer
11 cancels the purchase before midnight of the third business day after the date the buyer signed
12 the purchase agreement or if any of the material terms of the purchase agreement are changed
13 by the dealer. agreement. To make the cancellation effective, the buyer shall give the dealer
14 written notice of the buyer's cancellation of the purchase. The dealer shall return the initial
15 deposit or other payment toward or payment for toward the purchase price to the buyer within
16 seven business days, or 15 business days when payment is by personal check, after receipt of
17 the notice of ~~cancellation or within three business days of any change by the dealer of the~~
18 ~~purchase agreement.~~ cancellation. For purposes of this section, "business day" means any day
19 except Sunday and legal holidays. ~~Each time the dealer gives the buyer a new set of financing~~
20 ~~terms, unless the financing terms are more favorable to the buyer, the buyer shall be given~~
21 ~~another three-day cancellation period.~~ The dealer shall not commence setup procedures until
22 after the final three-day cancellation period has expired.

23 (e) If the buyer cancels the purchase after the three-day cancellation period, but before
24 the sale is completed, and if:

- 25 (1) The manufactured home is in the dealer's inventory, the dealer may retain
26 from any deposit or other payment received from the buyer actual damages
27 up to a maximum of ten percent (10%) of the purchase price; or
28 (2) The manufactured home is specially ordered from the manufacturer for the
29 buyer, the dealer may retain actual damages up to the full amount of the
30 buyer's deposit or other payment received from the buyer.

31 (e1) If the contract so provides, subsection (e) of this section does not limit the right of a
32 buyer and dealer to negotiate other terms relating to the deposit, including the right to receive a
33 full refund of the deposit.

34 (f) Repealed by Session Laws 2005-451, s. 5, effective April 1, 2006."

35 **SECTION 2.** This act becomes effective October 1, 2017, and applies to purchase
36 agreements entered into on or after that date.