

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

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SENATE BILL 574

Short Title: Consumer Credit/Revolving Credit Charges. (Public)

Sponsors: Senator Gunn (Primary Sponsor).

Referred to: Rules and Operations of the Senate

April 3, 2017

1 A BILL TO BE ENTITLED
2 AN ACT TO MODERNIZE NORTH CAROLINA'S REVOLVING CREDIT CHARGES IN
3 ORDER TO LEVEL THE PLAYING FIELD WITH OUT-OF-STATE BUSINESSES.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** G.S. 24-11 reads as rewritten:

6 "**§ 24-11. Certain revolving credit charges.**

7 (a) On the extension of credit under an open-end credit or similar plan (including
8 revolving credit card ~~plans, plans~~ and revolving charge accounts, but excluding any loan made
9 directly by a lender under a check loan, check ~~credit-credit~~, or other ~~such similar plan~~) under
10 which no service charge shall be imposed upon the consumer or debtor if the account is paid in
11 full within 25 days from the billing date, but upon which there may be imposed an annual
12 charge not to exceed twenty-four dollars (\$24.00), there may be charged and collected interest,
13 finance ~~charges-charges~~, or other fees at a rate in the aggregate not to exceed ~~one and one-half~~
14 ~~percent (11/2%)~~ one and five-sixths percent (1.833%) per month computed on the unpaid
15 portion of the balance of the previous month less payments or credit within the billing cycle or
16 the average daily balance outstanding during the current billing period.

17 ...
18 (b) On revolving credit loans (including check loans, check ~~credit-credit~~, or other
19 revolving credit plans whereby a bank, banking ~~institution-institution~~, or other lending agency
20 makes direct loans to a borrower), if agreed to in writing by the borrower, ~~such the~~ lender may
21 collect interest and service charges by application of a monthly periodic rate computed on the
22 average daily balance outstanding during the billing ~~period, such rate not to period~~. The rate
23 shall not exceed one and one-half percent (11/2%).one and five-sixths percent (1.833%).

24 ...
25 (d1) A lender may charge a party to a loan or extension of credit governed by this section
26 a late payment charge not to exceed five dollars (\$5.00) on accounts having an outstanding
27 balance of less than one hundred dollars (\$100.00) and ~~ten dollars (\$10.00)~~ twenty-five dollars
28 (\$25.00) on accounts having an outstanding balance of one hundred dollars (\$100.00) or more,
29 for any payment past due for 30 days or more; provided, in no case shall the late charge exceed
30 the outstanding principal balance. If a late payment charge has been once imposed with respect
31 to a late payment, no late charge shall be imposed with respect to any future payment which
32 would have been timely and sufficient but for the previous default.

33"

34 **SECTION 2.** This act is effective when it becomes law and applies to charges
35 imposed on or after that date.

