

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2017

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SENATE BILL 577  
Commerce and Insurance Committee Substitute Adopted 4/26/17

Short Title: Consumer Credit/Default Charge.

(Public)

Sponsors:

Referred to:

April 3, 2017

1 A BILL TO BE ENTITLED  
2 AN ACT TO MODERNIZE NORTH CAROLINA'S CONSUMER CREDIT INSTALLMENT  
3 SALE CONTRACT DEFAULT CHARGE IN ORDER TO LEVEL THE PLAYING  
4 FIELD WITH OUT-OF-STATE BUSINESSES.

5 The General Assembly of North Carolina enacts:

6 SECTION 1. G.S. 25A-29 reads as rewritten:

7 "§ 25A-29. Default charges.

8 (a) If any installment is past due for 10 days or more according to the original terms of  
9 the consumer credit installment sale contract, a default charge may be made in an amount ~~not to~~  
10 ~~exceed five percent (5%) of the installment past due or six dollars (\$6.00), whichever is the~~  
11 ~~lesser of fifteen dollars (\$15.00).~~ A default charge may be imposed only one time for each  
12 default.

13 (b) If a default charge is deducted from a payment made on the contract and ~~such the~~  
14 deduction results in a subsequent default on a subsequent payment, no default charge may be  
15 imposed for ~~such the~~ default.

16 (c) If a default charge has been once imposed with respect to a particular default in  
17 payment, no default charge shall be imposed with respect to any future payments which would  
18 not have been in default except for the previous default.

19 (d) A default charge for any particular default shall be deemed to have been waived by  
20 the seller unless, within 45 days following the default, (i) the charge is collected or (ii) written  
21 notice of the charge is sent to the buyer."

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



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