

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

H

D

HOUSE DRH60189-LK-26A (01/27)

Short Title: Manufactured Homes Escrow Accounts. (Public)

Sponsors: Representative Goforth.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO REQUIRE MANUFACTURED HOMES ESCROW ACCOUNTS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 143-143.21A(d) reads as rewritten:

"(d) The dealer shall return the deposit or other payment toward or payment for the purchase price to the buyer if the buyer cancels the purchase before midnight of the third business day after the date the buyer signed the purchase agreement or if any of the material terms of the purchase agreement are changed by the dealer. To make the cancellation effective, the buyer shall give the dealer written notice of the buyer's cancellation of the purchase. The dealer shall return the deposit or other payment toward or payment for the purchase price to the buyer within 15 business days after receipt of the notice of cancellation or within three business days of any change by the dealer of the purchase agreement. For purposes of this section, "business day" means any day except Sunday and legal holidays. Each time the dealer gives the buyer a new set of financing terms, unless the financing terms are more favorable to the buyer, terms, the buyer shall be given another three-day cancellation period. The dealer shall not commence setup procedures until after the final three-day cancellation period has expired."

SECTION 2. G.S. 143-143.21A(f) reads as rewritten:

"(f) ~~The Board shall adopt rules concerning the terms of any deposit paid by a buyer to a dealer. The rules may exempt deposits of less than two thousand dollars (\$2,000).~~ The dealer shall place all deposits made by the buyer in an escrow account to be held until delivery and acceptance of the manufactured home by the buyer. To the extent practicable, the rules shall protect allowable under federal bankruptcy laws, the deposits held by the seller in the escrow account required by this subsection shall be free from the claims of the creditors of a dealer that may thereafter be in bankruptcy. The rules shall further provide for funds held in the escrow account shall be subject to

- 1 the same requirements of subsection (d) of this section requiring the prompt return of a
2 buyer's deposit if the buyer is entitled to its return."
3 **SECTION 3.** This act is effective when it becomes law.