

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2007

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SENATE BILL 1082  
Commerce, Small Business and Entrepreneurship Committee Substitute Adopted  
4/18/07

Short Title: Commercial Loan Interest.

(Public)

Sponsors:

Referred to:

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~~ credit union, or other lending institution for a loan in excess of fifty thousand  
9 dollars (\$50,000) shall be binding unless the commitment is in writing and signed by the  
10 party to be bound. If interest on the commercial loan accrues on a schedule that is  
11 different from the payoff schedule of the loan provided by the lending institution to the  
12 borrower, the written loan commitment shall clearly state that fact. If a lending  
13 institution computes daily interest on the basis of a 360-day year, the lending institution  
14 may not collect interest for more than 360 days a year unless disclosed at the time the  
15 commercial loan is made. As used in this section, the term "commercial loan  
16 commitment" means an offer, agreement, commitment, or contract to extend credit  
17 primarily for business or commercial purposes and does not include charge or credit  
18 card accounts, personal lines of credit, overdrafts, or any other consumer account.  
19 Offers, agreements, commitments, or contracts to extend credit primarily for  
20 aquaculture, agricultural, or farming purposes are specifically exempted from the  
21 provisions of this section."

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