

NORTH CAROLINA GENERAL ASSEMBLY
1979 SESSION

CHAPTER 362
SENATE BILL 344

AN ACT TO PERMIT THE PAYMENT OF INTEREST ON DEFERRED INTEREST AS
AGREED UPON BY THE PARTIES TO A LOAN.

The General Assembly of North Carolina enacts:

Section 1. G.S. 24-1. 1A is amended by adding to it new subsections (g) and (h) to read as follows:

"(g) The parties to a home loan governed by G.S. 24-1. 1A(a)(1) or (2) may contract in writing to defer payments of interest and for payment of interest on deferred interest as agreed upon by the parties. The parties may agree in writing that said deferred interest may be added to the principal balance of the loan. This subsection shall not be construed to limit payment of interest upon interest in connection with other types of loans.

(h) The parties to a home loan governed by G.S. 24-1.1(A)(a)(1) or (2) may agree in writing to a mortgage or deed of trust which provides that periodic payments may be graduated during parts of or over the entire term of the loan. The parties to such a loan may also agree in writing to a mortgage or deed of trust which provides that periodic disbursements of part of the loan proceeds may be made by the lender over a period of time agreed upon by the parties, or over a period of time agreed upon by the parties ending with the death of the borrower(s). Such mortgages or deeds of trust may include provisions for adding deferred interest to principal or otherwise providing for charging of interest on deferred interest as agreed upon by the parties. This subsection shall not be construed to limit other types of mortgages or deeds of trust or methods or plans of disbursement or repayment of loans that may be agreed upon by the parties."

Sec. 2. This act is effective upon ratification.

In the General Assembly read three times and ratified, this the 13th day of April, 1979.