

1 **"§ 24-9.1. Certain repayments to consumers by public utilities not subject to claim**
2 **or defense of ~~usury~~-usury; repayments not ordered by Commission to**
3 **include interest and other penalties.**

4 (a) Notwithstanding any other provision of this Chapter or any other provision of
5 law, any public utility, as defined by G.S. 62-3, shall pay to its customers such rate of
6 interest as may be required by order of the North Carolina Utilities Commission in
7 transactions wherein the utility is refunding to its customers funds advanced by or
8 overcollected from the customers. As to such transactions, the claim or defense of usury
9 by such public utility and its successors or anyone else in its behalf is prohibited.

10 (b) In transactions where the utility refunds to its customer funds collected in
11 error from the customer, and the refund has not been reviewed or ordered by the North
12 Carolina Utilities Commission, the refund shall include the full amount of interest and
13 other penalties paid by the customer as part of or incident to the overcollected amount,
14 and the utility shall include in the refund interest on the overcollected amount at the
15 same rate or amount that the utility charges its customers for late payments of amounts
16 due."

17 Sec. 3. G.S. 24-11.1(b) reads as rewritten:

18 "(b) Disclosures. – The following disclosures shall be clearly and conspicuously
19 made in or with all documents described in subsection (a) of this section:

- 20 (1) The annual percentage rate or, if the rate may vary, a statement that it
21 may vary, the circumstances under which the rate may increase, any
22 limitations on the increase, and the effects of the increase on the other
23 terms of the agreement.
- 24 (2) The date or occasion upon which the finance charge begins to accrue
25 on a transaction and the duration of any grace period.
- 26 (3) Whether an annual fee is charged and the amount of the fee.
- 27 (4) Any delinquency charge, late charge, or collection charge which may
28 be assessed for the late payment of any installment, including the
29 terms and conditions for the imposition of such charge.
- 30 (5) Notice to the consumer that refunds of amounts overcollected from the
31 consumer due to the lender's error shall include delinquency charges,
32 late charges, or collection charges that are part of the amount
33 overcollected, and the refund shall include interest on the
34 overcollected amount at the same rate or amount as the lender charges
35 for delinquent or late payments under the installment agreement."

36 Sec. 4. G.S. 24-11.2(b) reads as rewritten:

37 "(b) Disclosures. – The following disclosures shall be clearly and conspicuously
38 made in or with all documents described in subsection (a) of this section:

- 39 (1) The annual fee and other charges, if any, applicable to the issuance or
40 use of the charge card.
- 41 (2) That charges incurred by the use of the charge card are due and
42 payable upon receipt of a periodic statement of charges.

1 (3) Any delinquency charge, late charge, or collection charge which may
2 be assessed for late payment, including the terms and conditions for
3 the imposition of such charge.

4 (4) Notice to the consumer that refunds of amounts overcollected from the
5 consumer due to the lender's error shall include delinquency charges,
6 late charges, or collection charges that are part of the amount
7 overcollected, and the refund shall include interest on the
8 overcollected amount at the same rate or amount as the lender charges
9 for delinquent or late payments under the installment agreement."

10 Sec. 5. Chapter 25A of the General Statutes is amended by adding the
11 following new section to read:

12 **"§ 25A-44.1. Repayment to consumers to include interest and penalties,**

13 (a) In consumer credit sales transactions subject to this Chapter whereby the
14 seller refunds to a consumer an amount overcollected from the consumer due to the
15 seller's error, the refund shall include interest and other penalties, as follows:

16 (1) If the amount overcollected includes interest or late payment penalties
17 lawfully charged and collected by the seller, then the seller shall
18 include in the refund the full amount of interest and other penalties that
19 were part of the overcollected amount; and

20 (2) If the seller charges late payment penalties pursuant to the consumer
21 credit sale, then the seller shall include in the refund interest on the
22 overcollected amount at the same rate or amount that the seller charges
23 as late payment penalties pursuant to the consumer credit sale."

24 Sec. 6. This act is effective upon ratification and applies to refund
25 transactions conducted on or after that date.