GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2007

H **1**

HOUSE BILL 1419

Short Title:	Discount Rate/Structured Settlement Payment.	(Public)
Sponsors:	Representative Cole.	
Referred to:	Commerce, Small Business and Entrepreneurship, if favorable, Judiciary I.	

April 12, 2007

A BILL TO BE ENTITLED

AN ACT TO CHANGE THE CAP FOR THE DISCOUNT RATE OF INTEREST USED TO DETERMINE THE NET AMOUNT PAYABLE FOR TRANSFERS OF STRUCTURED SETTLEMENT PAYMENT RIGHTS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 1-543.12(6) reads as rewritten:

"(6) The discount rate used in determining the net amount payable to the payee, as provided in subdivision (2) of this section, does not exceed ~~an~~ the maximum annual percentage rate ~~of prime plus five percentage points~~ permitted under G.S. 25A-15(b)(4) for the finance charge rate for a consumer credit installment contract calculated as if the net amount payable to the payee, as provided in sub-subdivision (2)f. of this section, was the principal of a consumer loan made by the transferee to the payee, and if the structured settlement payments to be transferred to the transferee were the payee's payments of principal plus interest on such ~~loan. For purposes of this subdivision, the prime rate shall be as reported by the Federal Reserve Statistical Release H.15 on the first Monday of the month in which the transfer agreement is signed by both the payee and the transferee, except when the transfer agreement is signed prior to the first Monday of that month then the prime rate shall be as reported by the Federal Reserve Statistical Release H.15 on the first Monday of the preceding month;~~loan;".

SECTION 2. This act becomes effective October 1, 2007.