

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

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SENATE BILL 829

Short Title: Retail Installment Sales Act Amendments. (Public)

Sponsors: Senators D. Davis and Gunn (Primary Sponsors).

Referred to: Rules and Operations of the Senate

December 4, 2018

1 A BILL TO BE ENTITLED
2 AN ACT TO AMEND THE RETAIL INSTALLMENT SALES ACT.
3 The General Assembly of North Carolina enacts:

4 SECTION 1. G.S. 25A-10 reads as rewritten:

5 "§ 25A-10. "Official fees" defined.

6 "Official fees" means:

- 7 (1) Fees and charges prescribed by law which actually are or will be paid to public
8 officials or any other person for determining the existence of or for perfecting,
9 releasing, or satisfying a security interest related to a consumer credit ~~sale;~~
10 sale, including any lien notation fee; or
11 (2) Premiums payable for insurance in lieu of perfecting a security interest
12 otherwise required by the seller in connection with a consumer credit sale if
13 the premium does not exceed the fees or charges described in subdivision (1)
14 of this section which would otherwise be payable."

15 SECTION 2. G.S. 25A-15 reads as rewritten:

16 "§ 25A-15. Finance charge rates for consumer credit installment sale contracts.

17 (a) With respect to a consumer credit installment sale contract, a seller may contract for
18 and receive a finance charge not exceeding that permitted by this section. A consumer credit
19 installment sale contract may be either precomputed or interest-bearing. All balances due under
20 a consumer credit installment sale contract from any person as a buyer or as an endorser,
21 guarantor, or surety for any buyer or otherwise jointly or severally, shall be considered a part of
22 the amount financed with regard to the contract for the purpose of computing interest or charges.
23 For the purposes of this section, the finance charge rates are ~~the rates that are required to be~~
24 ~~disclosed by the Consumer Credit Protection Act.~~simple interest rates.

25 (b) Except as hereinafter provided, the finance charge rate for a consumer credit
26 installment sales contract may not exceed:

- 27 (1) Twenty-four percent (24%) per annum where the amount financed is less than
28 ~~one thousand five hundred dollars (\$1,500);~~three thousand five hundred
29 dollars (\$3,500);
30 (2) Twenty-two percent (22%) per annum where the amount financed is ~~one~~
31 ~~thousand five hundred dollars (\$1,500)~~three thousand five hundred dollars
32 (\$3,500) or greater, but less than ~~two thousand dollars (\$2,000);~~five thousand
33 dollars (\$5,000);
34 (3) Twenty percent (20%) where the amount financed is ~~two thousand (\$2,000)~~
35 five thousand dollars (\$5,000) or greater, but less than ~~three thousand dollars~~
36 (\$3,000);seven thousand five hundred dollars (\$7,500);



1 (4) Eighteen percent (18%) per annum where the amount financed is ~~three~~
2 ~~thousand dollars (\$3,000)~~ seven thousand five hundred dollars (\$7,500) or
3 greater,
4 except that a minimum finance charge of five dollars (\$5.00) may be imposed.

5 "

6 **SECTION 3.** This act becomes effective October 1, 2019, and applies to contracts
7 entered into, renewed, or modified on or after that date.