

NORTH CAROLINA GENERAL ASSEMBLY
1961 SESSION

CHAPTER 1142
SENATE BILL 129

1 AN ACT TO AMEND CHAPTER 24 OF THE GENERAL STATUTES SO AS TO
2 AUTHORIZE CORPORATIONS TO PAY ANY RATE OF INTEREST AGREED UPON
3 ON LOANS EQUAL TO OR IN EXCESS OF THIRTY THOUSAND DOLLARS.
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5 The General Assembly of North Carolina do enact:
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7 **Section 1.** Chapter 24 of the General Statutes is amended by adding a new Section
8 immediately following G.S. 24-7 to be designated as G.S. 24-8, and to read as follows:
9 "Notwithstanding any other provisions of this Chapter or any other provisions of law, any
10 foreign or domestic corporation organized for pecuniary gain may agree to pay, and any lender
11 may charge and collect from such corporation, interest at any rate agreed upon not in excess of
12 eight per cent per annum where the original principal amount of the loan shall equal or exceed
13 the sum of thirty thousand dollars (\$30,000.00), or where the total principal amount to be
14 repaid under a loan agreement or other undertaking calling for a series of advances of money
15 shall equal or exceed the sum of thirty thousand dollars (\$30,000.00) and as to any such
16 transaction the penalty and forfeiture of interest imposed under Section 24-2 shall not be
17 available in any manner whatsoever to such corporation or its successor in interest, nor shall the
18 principal or any part thereof be impaired or forfeited; provided, that should any individual
19 endorser, surety or guarantor be called upon to pay all or any part of said loan, then the total
20 amount due by such individual shall not exceed the principal balance outstanding plus six
21 percent (6%) interest per annum thereon; and provided, that this Section shall not be applicable
22 to any loan which matures less than 5 years from the date thereof or which provides for
23 repayments of principal to be made by the borrower in an amount in excess of one-fifth of the
24 total principal indebtedness during any year of the first 5 years of the term of such loan;
25 nothing contained in this Section shall be held or construed to prohibit corporations from doing
26 any act or from incurring any obligation now permitted under G.S. 24-2 or any other provision
27 of law.

28 **Sec. 2.** All laws and clauses of laws in conflict with this Act are hereby repealed.

29 **Sec. 3.** This Act shall be in full force and effect from and after its ratification.

30 In the General Assembly read three times and ratified, this the 22nd day of June,
31 1961.