

NORTH CAROLINA GENERAL ASSEMBLY
1961 SESSION

CHAPTER 211
SENATE BILL 41

1 AN ACT TO AMEND ARTICLE 1 OF CHAPTER 45 OF THE GENERAL STATUTES SO
2 AS TO ESTABLISH THE RIGHT OF INSTALLMENT BUYERS UNDER
3 CONDITIONAL SALES AND PURCHASE MONEY CHATTEL MORTGAGES TO
4 POSSESSION BEFORE DEFAULT.

5
6 The General Assembly of North Carolina do enact:

7
8 **Section 1.** Article 1 of Chapter 45 of the General Statutes of North Carolina is
9 hereby amended by adding at the end thereof a Section to be numbered 45-3.1 and to read as
10 follows:

11 "**G.S. 45-3.1. Right of installment buyers to possession.** — If any chattel is sold or agreed to
12 be sold, and it is agreed between the parties to the sale that part or all of the price is to be paid
13 in one or more installments, which are secured either by conditional sale, purchase money
14 chattel mortgage, purchase money chattel deed of trust, or similar security, on the chattel sold,
15 and possession of the chattel is by consent of the parties placed in the buyer, it shall be deemed
16 to be the intention of the parties, in the absence of an express agreement to the contrary, that he
17 shall have the right to retain such possession until he defaults by failing to make a payment as
18 agreed or otherwise failing to comply with the terms of the sale or security, or by failing to
19 provide care and maintenance of the chattel in such a manner as to cause damage or injury to it,
20 or by using the chattel for any purpose prohibited by law."

21 **Sec. 2.** The title to Article 1 of Chapter 45 of the General Statutes is amended to
22 read as follows:

23 "Chattel Securities".

24 **Sec. 3.** All laws and clauses of laws in conflict with this Act are hereby repealed.

25 **Sec. 4.** This Act shall become effective October 1, 1961.

26 In the General Assembly read three times and ratified, this the 13th day of April,
27 1961.