

NORTH CAROLINA GENERAL ASSEMBLY  
1969 SESSION

CHAPTER 1073  
SENATE BILL 823

1 AN ACT TO REWRITE AND CLARIFY G.S. 116-174.1 CONCERNING CONTRACTS OF  
2 MINORS WHO ARE BORROWING FOR POST-SECONDARY EDUCATION.

3  
4 The General Assembly of North Carolina do enact:  
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6 **Section 1.** Article 18A, Section 174.1 of Chapter 116 of the General Statutes as the same  
7 appears in the 1966 Replacement Volume 3A is hereby rewritten in its entirety to read as  
8 follows:

9 "All minors in North Carolina of the age of seventeen (17) years and upwards shall have  
10 full power and authority to enter into written contracts of indebtedness, at a rate of interest not  
11 exceeding the contract rate authorized in Chapter 24 of the General Statutes, with persons and  
12 educational institutions or with firms and corporations licensed to do business in North  
13 Carolina and to execute notes evidencing such indebtedness. Such loans shall be:

14 "(1) Unsecured by the conveyance of any property as security, whether real,  
15 personal or mixed;

16 "(2) For the sole purpose of borrowing money to obtain post-secondary education  
17 at an accredited college, university, junior college, community college,  
18 technical institute, industrial education center, business or trade school  
19 provided, however, that none of the proceeds of such loans shall be used to  
20 pay for any correspondence courses;

21 "(3) The proceeds of any loan shall be disbursed either directly to the educational  
22 institution for the benefit of the borrower or jointly to the borrower and the  
23 educational institution."

24 **Sec. 2.** All laws and clauses of laws in conflict with this Act are hereby repealed.

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

26 In the General Assembly read three times and ratified, this the 30th day of June,

27 1969.