

NORTH CAROLINA GENERAL ASSEMBLY  
1973 SESSION

CHAPTER 1119  
HOUSE BILL 1573

AN ACT REMOVING THE USURY RATE CEILING AND PRE-PAYMENT PENALTIES  
ON ALL FIRST MORTGAGE HOME LOANS UNTIL JUNE 30, 1975.

The General Assembly of North Carolina enacts:

**Section 1.** Article 1 of Chapter 24 of the General Statutes is hereby amended by adding a new section immediately after G.S. 24-1.1, to be numbered G.S. 24-1.1a and to read as follows:

"§ 24-1.1a. **Contract rates on home mortgage loans.** — (a) Notwithstanding any other provision of this Chapter or any other provision of law, the parties to a first mortgage home loan may contract in writing for the payment of interest at any rate agreed upon by the parties.

(b) Notwithstanding any other provision of this Chapter or any other provision of law, such contract shall provide that no prepayment penalties shall be charged to any party with respect to any such first mortgage home loan."

**Sec. 2.** The term "home" shall mean real estate upon which there is located or is to be located one or more single-family dwellings, or dwelling units.

**Sec. 3.** If any provision of this Chapter or its application to any person or circumstance is held invalid, the remainder of the Chapter and its application to other persons or circumstances shall not be affected thereby.

**Sec. 4.** This act shall become effective upon ratification and shall expire on June 30, 1975. Any real estate obligation existing before the effective date of this act shall be construed with regard to interest rates pursuant to the laws existing prior to the effective date of this act and this act shall only apply to loans or loan commitments made after the effective date of this act.

In the General Assembly read three times and ratified, this the 3rd day of April, 1974.