

NORTH CAROLINA GENERAL ASSEMBLY
1977 SESSION

CHAPTER 594
SENATE BILL 510

AN ACT TO AUTHORIZE SAVINGS AND LOAN ASSOCIATIONS TO EMPLOY SUCH
METHODS OF LOAN REPAYMENT AS SHALL BE PRESCRIBED BY THE
ADMINISTRATOR OF THE SAVINGS AND LOAN DIVISION.

The General Assembly of North Carolina enacts:

Section 1. G.S. 54-20 is hereby rewritten to read as follows:

"§ 54-20. Methods or plans of repayment of loans. — (a) Savings and loan associations organized under the laws of this State shall agree in writing with borrowing members as to the method or plan by which indebtedness shall be repaid.

(b) No method or plan of repayment shall be employed that will not mature and pay off the loan within a term to be fixed by the Savings and Loan Commission, which term shall not exceed 40 years from the date of the making thereof; provided, that the board of directors of a savings and loan association may authorize the renewal or extension of the time of repayment of any loan made by the association.

(c) Every person who has obtained or shall obtain a loan or who has assumed or shall assume payment of a loan or who shall be obligated upon a loan held by an association, shall be by reason thereof a member of the association making or holding such loan and shall be deemed a member until such loan is fully paid or assumed by another person or persons acceptable to the association. Such association may issue certificates of stock or membership to such member, but certificates shall not be necessary or required.

(d) Except as otherwise provided by statute the board of directors of any savings and loan association organized under the laws of this State may permit borrowing members to repay the indebtedness by any method or plan which the Administrator of the Savings and Loan Division shall, subject to the direction and approval of the Savings and Loan Commission, prescribe or approve.

(e) Except as otherwise provided by statute the board of directors of any savings and loan association organized under the laws of this State may direct that the association shall use any form of loan instrument or document (including notes and deeds of trust) which the Administrator of the Savings and Loan Division shall, subject to the direction and approval of the Savings and Loan Commission, prescribe or approve.

(f) The provisions of subsections (d) and (e) above shall not be construed to prohibit or make unlawful any method or plan of repayment of indebtedness or any loan instrument or document which is not otherwise prohibited or made unlawful by law or regulation."

Sec. 2. This act shall become effective 90 days after ratification.

In the General Assembly read three times and ratified, this the 16th day of June, 1977.