

NORTH CAROLINA GENERAL ASSEMBLY
1977 SESSION

CHAPTER 917
SENATE BILL 558

AN ACT RELATING TO THE CHARGES OR INTEREST WHICH MAY BE CHARGED
WITH RESPECT TO OPEN-END ACCOUNTS.

The General Assembly of North Carolina enacts:

Section 1. G.S. 24-11, as the same appears in the 1975 Cumulative Supplement to Volume 1D of the General Statutes, is hereby rewritten as follows:

"§ 24-11. **Certain revolving credit charges.** — (a) On the extension of credit under an open-end credit or similar plan (including revolving credit card plans, and revolving charge accounts, but excluding any loan made directly by a lender under a check loan, check credit or other such plan) under which no service charge shall be imposed upon the consumer or debtor if the account is paid in full within twenty-five days from the billing date, there may be charged and collected interest, finance charges or other fees at a rate in the aggregate not to exceed one and one-half percent (1 1/2%) per month computed on the unpaid balance of the previous month or the average daily balance outstanding during the billing period. No person, firm or corporation may charge a discount or fee in excess of six percent (6%) of the principal amount of the accounts acquired from or through any vendors or others providing services who participate in such plan.

(b) On revolving credit loans (including check loans, check credit or other revolving credit plans whereby a bank, banking institution or other lending agency makes direct loans to a borrower), if agreed to in writing by the borrower, such lender may collect interest and service charges by application of a monthly periodic rate computed on the average daily balance outstanding during the billing period, such rate not to exceed one and one-quarter percent (1 1/4%) on such balance up to and including five thousand dollars (\$5,000), and such rate not to exceed one percent (1%) on such balance in excess of five thousand dollars (\$5,000).

(c) Any extension of credit under an open-end or similar plan under which there is charged a monthly periodic rate greater than one and one-quarter percent (1 1/4%) may not be secured by real or personal property or any other thing of value, provided, that this subsection shall not apply to consumer credit sales regulated by Chapter 25A, the Retail Installment Sales Act; provided further, that in any action initiated for the possession of property in which a security interest has been taken, a judgement for the possession thereof shall be restricted to commercial units (as defined in G.S. 25-2-105(6)) for which the cash price was one hundred dollars (\$100.00) or more.

(d) The term 'billing date' shall mean any date selected by the creditor but shall not be earlier than the date any bill for the balance of the account is mailed to the debtor."

Sec. 2. This act shall become effective upon ratification.

In the General Assembly read three times and ratified, this the 1st day of July, 1977.