

NORTH CAROLINA GENERAL ASSEMBLY  
1977 SESSION

CHAPTER 921  
SENATE BILL 689

AN ACT TO AMEND THE PROVISIONS OF CHAPTER 25A RELATING TO  
PRESERVATION OF CONSUMERS' CLAIMS AND DEFENSES.

The General Assembly of North Carolina enacts:

**Section 1.** For the purpose of conforming the provisions of G.S. 25A-25 to the requirements imposed on consumer credit sales by the Federal Trade Commission Rule on Preservation of Consumers' Claims and Defenses, 16 CFR 433, and for the purpose of eliminating language rendered surplusage by said rule, G.S. 25A-25 is amended to read as follows:

**"§ 25A-25. Preservation of consumers' claims and defenses.** — (a) In a consumer credit sale, a buyer may assert against the seller, assignee of the seller, or other holder of the instrument or instruments of indebtedness, any claims or defenses available against the original seller, and the buyer may not waive the right to assert these claims or defenses in connection with a consumer credit sales transaction. Affirmative recovery by the buyer on a claim asserted against an assignee of the seller or other holder of the instrument of indebtedness shall not exceed amounts paid by the buyer under the contract.

(b) Every consumer credit sale contract shall contain the following provision in at least ten-point boldface type:

NOTICE

ANY HOLDER OF THIS CONSUMER CREDIT CONTRACT IS SUBJECT TO ALL CLAIMS AND DEFENSES WHICH THE DEBTOR COULD ASSERT AGAINST THE SELLER OF GOODS OR SERVICES OBTAINED PURSUANT HERETO OR WITH THE PROCEEDS HEREOF. RECOVERY HEREUNDER BY THE DEBTOR SHALL NOT EXCEED AMOUNTS PAID BY THE DEBTOR HEREUNDER.

(c) Compliance with the requirements of the Federal Trade Commission rule on preservation of consumer claims and defenses is considered full compliance with this act."

**Sec. 2.** This act shall become effective June 30, 1978.

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