

NORTH CAROLINA GENERAL ASSEMBLY
1981 SESSION

CHAPTER 1196
SENATE BILL 835

AN ACT TO AMEND G.S. 24-1.1C, THE VARIABLE RATE FINANCING LAW FOR
MOBILE HOMES.

The General Assembly of North Carolina enacts:

Section 1. All references in this act to G.S. 24-1.1C refer to the statute as it appears in the 1981 Cumulative Supplement to Volume 1D of the General Statutes of North Carolina.

Sec. 2. G.S. 24-1.1C(a)(2) is amended on line 3 thereof by inserting after the word "indirectly" and before the word "by" the following: "by the borrower or imposed directly or indirectly".

Sec. 3. (a) G.S. 24-1.1C(b)(4) is amended on line 3 by deleting the phrase "for the third calendar month" and inserting in lieu thereof the following: "in effect on the first day of the second month".

(b) G.S. 24-1.1C(b)(4) is further amended on lines 4 and 5 thereof by deleting the words "on the date of execution of the manufactured home loan" and inserting in lieu thereof: "in effect on the first day of the month in which the loan is executed".

(c) G.S. 24-1.1C(b)(4) is further amended on lines 7 and 8 by deleting on each line the phrase "for the third month" and inserting in lieu thereof on each line the following: "in effect on the first day of the second month".

Sec. 4. G.S. 24-1.1C(b) is amended by renumbering paragraphs (6) through (10) as paragraphs (7) through (11), and by inserting a new paragraph (6) to read as follows:

"(6) Any changes in the index which are not reflected in a rate adjustment may, by agreement of the parties, be carried over to subsequent rate adjustment periods, and, subject to the provisions of paragraph (b)(5) above, be implemented to the extent not offset by opposite movement in the index."

Sec. 5. (a) G.S. 24-1.1C(c) is amended on line 2 thereof by striking the word "the" and inserting in lieu thereof the words "a variable rate"; and is further amended on line 3 thereof by inserting the words "variable rate" immediately prior to the word "manufactured".

(b) G.S. 24-1.1C(c) is further amended by deleting paragraph (3) in its entirety and inserting in lieu thereof the following:

"(3) Interest charges on variable rate manufactured home loans shall be computed and paid periodically as a percentage of the unpaid principal balance. This percentage may be computed for any period as the number of days actually elapsed, times the effective annual percentage rate, divided by 365; or this percentage may be computed monthly as the number of days elapsed based upon an assumption that every month has 30 days, times the effective annual percentage rate, divided by 360. In either case, scheduled monthly payments may assume a 30-day month. Payments may be applied first to accrued interest, then to principal. No default charge shall be assessed on loans under this section."

Sec. 6. This act is effective upon ratification.

In the General Assembly read three times and ratified, this the 17th day of June, 1982.