

NORTH CAROLINA GENERAL ASSEMBLY
1981 SESSION

CHAPTER 561
SENATE BILL 158

AN ACT TO CHANGE THE RATE OF INTEREST IN THE CONSUMER FINANCE ACT
AND TO CORRECT SEVERAL REFERENCES TO THE NEW LEGAL USURY RATE
AND LOAN CEILING.

The General Assembly of North Carolina enacts:

Section 1. G.S. 53-173(a) is amended by deleting the words and figures "three percent (3%) per month" in line 4 and substituting in lieu thereof the words and figures, "thirty-six percent (36%) per annum"; by deleting the words and figures "three hundred dollars (\$300.00)" in line 5 and substituting in lieu thereof the words and figures "six hundred dollars (\$600.00)"; and by deleting the words and figures "one and one-half percent (1-1/2%) per month" in lines 5 and 6 and substituting in lieu thereof the words and figures "fifteen percent (15%) per annum."

Sec. 2. G.S. 53-173 (c) is amended by deleting the words and figures "six percent (6%) per annum" and substituting in lieu thereof the words and figures "eight percent (8%) per annum."

Sec. 3. G.S. 53-173 (d) is amended by deleting the words and figures "six percent (6%) per annum" and substituting in lieu thereof the words and figures "eight percent (8%) per annum."

Sec. 4. G.S. 53-175 (b) is amended by deleting the words and figures "six percent (6%) per annum" and substituting in lieu thereof the words and figures "eight percent (8%) per annum."

Sec. 5. G.S. 53-179 is amended by deleting the words and figures "fifteen hundred dollars (\$1500)" both places where it appears and substituting in lieu thereof the words and figures "three thousand dollars (\$3,000)."

Sec. 6. G.S. 53-179 is amended by deleting the words and figures "six percent (6%) per annum" and substituting in lieu thereof the words and figures "eight percent (8%) per annum."

Sec. 7. G.S. 53-176 is amended by deleting in lines 8 and 9 the words and figures "an effective rate of fifteen percent (15%) per annum upon the outstanding balance:" and by substituting in lieu thereof the following words and figures:

"the rate in effect as announced and published by the Commissioner of Banks pursuant to G.S. 24-1.1(3) and G.S. 24-1.2(3).

"Such rate shall be the latest published noncompetitive rate for U. S. Treasury bills with a six-month maturity as of the fifteenth day of the month plus six percent (6%), rounded upward or downward, as the case may be, to the nearest one-half of one percent (1/2 of 1%) or sixteen percent (16%), whichever is greater. If there is no nearest one-half of one percent (1/2 of 1%), the Commissioner shall round downward to the lower one-half of one percent (1/2 of 1%). The rate so announced shall be the maximum rate permitted for the following calendar month on all loans made under this section."

Sec. 8. G.S. 53-184(a) is rewritten to read as follows:

"(a) Each licensee shall maintain all books and records relating to loans made under this Article required by the Commissioner of Banks to be kept, and the Commissioner, his deputy,

or duly authorized examiner or agent or employee is authorized and empowered to examine such records at any reasonable time. Such books and records may be maintained in the form of magnetic tape, magnetic disk or other form of computer, electronic or microfilm media available for examination on the basis of computer printed reproduction, video display or other medium acceptable to the Commissioner of Banks; provided, however, that such books and records so kept must be convertible into clearly legible tangible documents within a reasonable time. Any licensee having more than one licensed office may maintain such books and records at a location other than the licensed office location if such location is within the State of North Carolina; provided that, subject to such requirements as may be imposed by the Commissioner of Banks, there shall be available to the borrower at each licensed location or such other location convenient to the borrower, as designated by the licensee, complete loan information; and provided further that such books and records of each licensed office shall be clearly segregated. Where the data processing for any licensee is performed by a person other than the licensee, the licensee shall provide to the Commissioner of Banks a copy of a binding agreement between the licensee and the data processor which allows the Commissioner of Banks, his deputy, or duly authorized examiner or agent or employee to examine that particular data processor's activities pertaining to the licensee to the same extent as if such services were being performed by the licensee on its own premises; and, notwithstanding the provisions of G.S. 53-167 and G.S. 53-122, when billed by the Commissioner of Banks, the licensee shall reimburse the Commissioner of Banks for all costs and expenses incurred by him in such examination."

Sec. 9. This act shall become effective 30 days after ratification and shall apply only to loans made after the effective date of this act and before July 1, 1983. Unless the General Assembly shall provide otherwise before July 1, 1983, all rates of charge established by this act are repealed and all loans made on or after that date shall be made under the applicable rates of charge on the day before the effective date of this act.

In the General Assembly read three times and ratified, this the 12th day of June, 1981.