

**§ 66-224. Contractual requirements.**

(a) Effective October 1, 1991, every contract between a consumer and a credit repair business for the purchase of the services of the credit repair business shall be in writing, dated, signed by the consumer, and shall include the following:

- (1) A conspicuous statement in size equal to at least 10-point boldface type, in immediate proximity to the space reserved for the signature of the consumer, as follows:  
"YOU, THE BUYER, MAY CANCEL THIS CONTRACT AT ANY TIME PRIOR TO MIDNIGHT OF THE THIRD BUSINESS DAY AFTER THE DATE OF THE TRANSACTION. SEE THE ATTACHED NOTICE OF CANCELLATION FORM FOR AN EXPLANATION OF THIS RIGHT."
- (2) The terms and conditions of payment, including the total of all payments to be made by the consumer, whether to the credit repair business or to some other person;
- (3) A complete and detailed description of the services to be performed and the results to be achieved by the credit repair business for or on behalf of the consumer, including all guarantees and all promises of full or partial refunds and a list of the adverse information appearing on the consumer's credit report that the credit repair business expects to have modified;
- (4) The principal business address of the credit repair business and the name and address of its agent in this State authorized to receive service of process; and
- (5) One of the following statements, as appropriate, in substantially the following form:
  - a. "As required by North Carolina law, this credit repair business has secured a bond by \_\_\_\_\_(name and address of surety company), a surety authorized to do business in this State. Before signing a contract with this business, you should check with the surety company to determine the bond's current status.", or
  - b. "As required by North Carolina law, this credit repair business has established an escrow account \_\_\_\_\_(number) with \_\_\_\_\_(name and address of bank or savings institution). Before signing a contract with this business, you should check with the bank or savings institution to determine the current status of the account."

(b) The contract shall be accompanied by a completed form in duplicate, captioned "NOTICE OF CANCELLATION", which shall be attached to the contract and easily detachable, and which shall contain in at least 10-point boldface type the following statement:

**"NOTICE OF CANCELLATION**

YOU MAY CANCEL THIS CONTRACT, WITHOUT ANY PENALTY OR OBLIGATION, AT ANY TIME PRIOR TO MIDNIGHT OF THE THIRD BUSINESS DAY AFTER THE DATE THE CONTRACT IS SIGNED.

IF YOU CANCEL, ANY PAYMENT MADE BY YOU UNDER THIS CONTRACT WILL BE RETURNED WITHIN 10 DAYS FOLLOWING RECEIPT BY THE SELLER OF YOUR CANCELLATION NOTICE.

TO CANCEL THIS CONTRACT, MAIL OR DELIVER A SIGNED AND DATED COPY OF THIS CANCELLATION NOTICE, OR ANY OTHER WRITTEN NOTICE, TO

\_\_\_\_\_ (Name of Seller)  
AT \_\_\_\_\_ (Address of Seller)  
\_\_\_\_\_ (Place of Business) NOT LATER  
THAN MIDNIGHT \_\_\_\_\_ (Date).

I HEREBY CANCEL THIS TRANSACTION.

\_\_\_\_\_  
Date Buyer's Signature".

A copy of the fully completed contract and all other documents the credit repair business requires the consumer to sign shall be given by the credit repair business to the consumer at the time they are signed. (1991, c. 327, s. 1; 1991 (Reg. Sess., 1992), c. 1030, s. 19.)