

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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SENATE BILL 778  
Judiciary I Committee Substitute Adopted 4/26/93

Short Title: Spouses Can Term. Equity Line.

(Public)

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Sponsors:

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Referred to:

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April 8, 1993

A BILL TO BE ENTITLED

1  
2 AN ACT TO PROVIDE THAT EITHER SPOUSE MAY DIRECT A LENDER TO  
3 CEASE MAKING ADVANCES ON AN EQUITY LINE OF CREDIT SECURED  
4 BY REAL PROPERTY OWNED BY THE SPOUSES AS JOINT TENANTS OR  
5 TENANTS BY THE ENTIRETY.

6 The General Assembly of North Carolina enacts:

7 Section 1. G.S. 45-81(b) reads as rewritten:

8 "(b) As used in subdivision (a)(1) of this section, 'lender is obligated' means that  
9 the lender is contractually bound to provide advances. The contract ~~must~~shall set forth  
10 any events of default by the borrower, or other events not within the lender's control,  
11 which may relieve the lender from ~~his~~the lender's obligation, and ~~must~~shall state  
12 whether or not the lender has reserved the right to cancel or terminate the obligation. If  
13 the borrowers are a husband and wife who own the real property securing the line of  
14 credit as joint tenants or tenants by the entirety, the contract shall state that the lender  
15 shall cease providing advances upon written direction by one of the spouses. The  
16 contract shall provide for reinstatement of credit privileges only upon written request of  
17 both spouses if the borrowers are otherwise in compliance with the contract."

18 Sec. 2. This act becomes effective January 1, 1994, and applies to contracts  
19 entered into on or after that date.