

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2005**

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**SENATE BILL 729**

Short Title: Clarify Used MV Interest Charges Under RISA. (Public)

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Sponsors: Senators Hoyle; and Bingham.

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Referred to: Commerce.

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March 22, 2005

A BILL TO BE ENTITLED  
AN ACT TO CLARIFY INCLUDABLE INTEREST CHARGES FOR USED MOTOR  
VEHICLES UNDER THE RETAIL INSTALLMENT SALES ACT.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 25A-15(c) reads as rewritten:

"(c) A finance charge rate not to exceed the higher of the rate established in subsection (b) or the rate set forth below may be imposed in a consumer credit installment sale contract repayable in not less than six installments for a self-propelled motor vehicle:

- (1) Eighteen percent (18%) per annum for vehicles one and two model years old;
- (2) Twenty percent (20%) per annum for vehicles three model years old;
- (3) Twenty-two percent (22%) per annum for vehicles four model years old; and
- (4) Twenty-nine percent (29%) per annum for vehicles five model years old and older.

A motor vehicle is one model year old on January 1 of the year following the designated year model of the vehicle. For purposes of this subsection only, any loan commitment fee or other similar charge imposed on the seller by an assignee that is passed on to the consumer shall not be included in the calculation of the finance charge rate."

**SECTION 2.** This act is effective when it becomes law.