

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017**

**SESSION LAW 2017-45
SENATE BILL 577**

AN ACT TO MODERNIZE NORTH CAROLINA'S CONSUMER CREDIT INSTALLMENT SALE CONTRACT
DEFAULT CHARGE IN ORDER TO LEVEL THE PLAYING FIELD WITH OUT-OF-STATE BUSINESSES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 25A-29 reads as rewritten:

"§ 25A-29. Default charges.

(a) If any installment is past due for 10 days or more according to the original terms of the consumer credit installment sale contract, a default charge may be made in an amount ~~not to exceed five percent (5%) of the installment past due or six dollars (\$6.00), whichever is the lesser. of fifteen dollars (\$15.00).~~ A default charge may be imposed only one time for each default.

(b) If a default charge is deducted from a payment made on the contract and ~~such the~~ deduction results in a subsequent default on a subsequent payment, no default charge may be imposed for ~~such the~~ default.

(c) If a default charge has been once imposed with respect to a particular default in payment, no default charge shall be imposed with respect to any future payments which would not have been in default except for the previous default.

(d) A default charge for any particular default shall be deemed to have been waived by the seller unless, within 45 days following the default, (i) the charge is collected or (ii) written notice of the charge is sent to the buyer."

SECTION 2. This act is effective when it becomes law and applies to charges imposed on or after that date. In the General Assembly read three times and ratified this the 12th day of June, 2017.

s/ Philip E. Berger
President Pro Tempore of the Senate

s/ Tim Moore
Speaker of the House of Representatives

This bill having been presented to the Governor for signature on the 13th day of June, 2017 and the Governor having failed to approve it within the time prescribed by law, the same is hereby declared to have become a law. This 26th day of June, 2017.

s/ Karen Jenkins
Enrolling Clerk