

May 6, 2009

H 1626. CAP APR FOR CONSUMER LOANS. Filed 5/6/09. *TO RAISE THE FEE FOR AN APPLICATION UNDER THE NORTH CAROLINA CONSUMER FINANCE ACT, TO LIMIT THE ANNUAL PERCENTAGE RATE OF INTEREST THAT CAN BE CHARGED FOR LOANS MADE PURSUANT TO THE NORTH CAROLINA CONSUMER FINANCE ACT, TO DISALLOW THE CHARGING OF A RECORDING FEE UNLESS THE FEE SHALL BE USED TO FILE OR RECORD THE LICENSEE'S SECURITY INTEREST; AND TO PROHIBIT THE WRITING OF CREDIT LIFE, CREDIT ACCIDENT AND HEALTH, AND RELATED FORMS OF INSURANCE AND AGREEMENTS FOR ANY LOAN THAT IS SUBJECT TO THE NORTH CAROLINA CONSUMER FINANCE ACT.*

Amends GS 53-168(b) to increase from \$250 to \$1,000 the fee to be paid by applicant for license under Consumer Finance Act (lenders of \$10,000 or less). Amends GS 53-165 to specify that *annual percentage rate* has meaning given under federal Truth-in-Lending Act. Amends GS 53-173 to specify that an annual percentage rate may never exceed 36% and that a loan processing fee is not allowed under (a1) if the result would be to exceed 36% limit. Makes comparable changes for loans under GS 53-176. Amends GS 53-177 to specify that the recording fee collected from a borrower must be paid to public recording agency, eliminating option of lender applying fee amount toward insurance. Amends GS 53-189 to specify that a loan written under the Consumer Finance Act may not include credit life, credit accident and health, credit unemployment or credit property insurance, nor debt cancellation or suspension agreements. Effective October 1, 2009.

Intro. by Glazier.

GS 53