

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

H.B. 508
Mar 25, 2025
HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH30196-MU-13

Short Title: Lower Cap on Credit Card Interest.

(Public)

Sponsors: Representative Lowery.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO LOWER THE CAP ON CREDIT CARD INTEREST AND TO MAKE
3 TECHNICAL CHANGES.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. G.S. 24-11 reads as rewritten:

6 "§ 24-11. Certain revolving credit charges.

7 (a) On the extension of credit under an open-end credit or similar plan (including
8 revolving credit card ~~plans,~~ plans and revolving charge accounts, but excluding any loan made
9 directly by a lender under a check loan, check ~~credit-credit,~~ or ~~other such similar~~ plan) under
10 which no service charge shall be imposed upon the consumer or debtor if the account is paid in
11 full within 25 days from the billing date, but upon which there may be imposed an annual charge
12 not to exceed twenty-four dollars (\$24.00), there may be charged and collected interest, finance
13 ~~charges-charges,~~ or other fees at a rate in the aggregate not to exceed ~~one and one-half percent~~
14 ~~(11/2%)~~ one and seventeen hundredths percent (1.17%) per month computed on the unpaid
15 portion of the balance of the previous month less payments or credit within the billing cycle or
16 the average daily balance outstanding during the current billing period.

17 (a1) If the lender chooses not to impose an annual charge under this section, the lender
18 may impose a service charge not to exceed two dollars (\$2.00) per month on the balance of any
19 account ~~which-that~~ is not paid in full within 25 days from the billing date.

20 (a2) No person, ~~firm-firm,~~ or corporation ~~may-shall~~ charge a discount or fee in excess of
21 six percent (6%) of the principal amount of the accounts acquired from or through any vendors
22 or others providing services ~~who-that~~ participate in ~~such-the~~ plan.

23 (b) On revolving credit loans (including check loans, check ~~credit-credit,~~ or other
24 revolving credit plans ~~whereby-by which~~ a bank, banking ~~institution-institution,~~ or other lending
25 agency makes direct loans to a borrower), if agreed to in writing by the borrower, ~~such-the~~ lender
26 may collect interest and service charges by application of a monthly periodic rate computed on
27 the average daily balance outstanding during the billing ~~period,~~ ~~such rate-period~~ at a rate not to
28 exceed one and one-half percent (11/2%).

29 (c) ~~Any-An~~ extension of credit under an open-end or similar plan under which there is
30 charged a monthly periodic rate greater than one and one-quarter percent (11/4%) ~~may-shall not~~
31 ~~be secured by real or personal property or any other thing of value, provided, that this subsection~~
32 ~~shall-value.~~ This subsection, however, does not apply to consumer credit sales regulated by
33 Chapter 25A, the Retail Installment Sales Act; provided further, that in any Chapter 25A ("Retail
34 Installment Sales Act") of the General Statutes. In an action initiated for the possession of
35 property in which a security interest has been taken, a judgment for the possession thereof of the



1 property shall be restricted to commercial units (as defined in G.S. 25-2-105(6)) for which the
2 cash price was one hundred dollars (\$100.00) or more.

3 (d) ~~The~~ In this section, the term "billing date" ~~shall mean~~ means any date selected by the
4 ~~creditor and the~~ creditor. The bill for the balance of the account ~~must~~ shall be mailed to the
5 customer at least 14 days prior to the date specified in the statement as being the date by which
6 payment of the new balance ~~must~~ shall be made in order to avoid the imposition of any finance
7 charge.

8 (d1) A lender may charge a party to a loan or extension of credit governed by this section
9 a late payment charge not to exceed five dollars (\$5.00) on accounts having an outstanding
10 balance of less than one hundred dollars (\$100.00) and ten dollars (\$10.00) on accounts having
11 an outstanding balance of one hundred dollars (\$100.00) or more, for any payment past due for
12 30 days or ~~more; provided, in~~ more. In no case shall the late charge exceed the outstanding
13 principal balance. If a late payment charge has been once imposed with respect to a late payment,
14 no late charge shall be imposed with respect to any future payment ~~which that~~ would have been
15 timely and sufficient but for the previous default.

16 (e) An annual or service charge pursuant to this section upon an existing credit card
17 account upon which the charge has not previously been imposed ~~may~~ shall not be imposed unless
18 the lender has given the cardholder at least 30 ~~days~~ days' notice of the proposed ~~charge, charge~~
19 and has advised the cardholder of ~~his~~ the cardholder's right not to accept the new charge. This
20 notice shall be bold and ~~conspicuous, conspicuous~~ conspicuous and shall be on the face of the periodic billing
21 statement or on a separate statement ~~which that~~ is clearly noted on the face of the periodic billing
22 statement provided to the cardholder. If the cardholder does not accept the new charge upon an
23 existing credit card account, the lender may require that the cardholder make no further use of
24 the account beyond the 30-day period in order to avoid paying the annual charge, but the
25 cardholder ~~shall be~~ is entitled to pay off any remaining balance according to the terms of the
26 credit agreement. Nothing in this subsection ~~shall limit~~ limits the lender from decreasing any
27 rates or fees to the ~~cardholder forthwith. Should any~~ cardholder. If a cardholder within 12 months
28 of the initial imposition of an annual charge ~~rescind his~~ rescinds the cardholder's credit card
29 contract and ~~surrender~~ surrenders all cards issued under the contract to the lender, ~~he shall be the~~
30 cardholder is entitled to a prorated refund of the annual fee previously charged, credited to the
31 cardholder's credit card account."

32 **SECTION 2.** This act becomes effective October 1, 2025, and applies to interest,
33 finance charges, and fees charged on or after that date.