

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2025**

**S**

**D**

**SENATE BILL 675  
PROPOSED COMMITTEE SUBSTITUTE S675-PCS15314-CM-13**

Short Title: Second Mortgage Fee Alignment Act.

(Public)

Sponsors:

Referred to:

March 26, 2025

1 A BILL TO BE ENTITLED  
2 AN ACT TO MODIFY THE MAXIMUM PERMISSIBLE FEES OR DISCOUNTS THAT  
3 CERTAIN LENDERS MAY CHARGE ON SECOND OR JUNIOR LIEN REAL ESTATE  
4 LOANS TO ALIGN MORE CLOSELY WITH FEDERAL QUALIFIED MORTGAGE  
5 STANDARDS.

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.** G.S. 24-10 reads as rewritten:

8 "**§ 24-10. Maximum fees on loans secured by real property.**

9 (a) No lender on loans made under G.S. 24-1.1 shall charge or receive from any borrower  
10 or any agent for a borrower, any fees or discounts unless otherwise allowed where the principal  
11 amount is less than three hundred thousand dollars (\$300,000) and is secured by real property,  
12 which fees or discounts in the aggregate shall exceed two percent (2%) if a construction loan on  
13 other than a one or two family dwelling, and one percent (1%) on any other type of loan;  
14 provided, however, if a single lender makes both the construction loan and a permanent loan  
15 utilizing one note, the lender may collect the fees as if they were two separate loans. Except as  
16 provided herein or otherwise allowed, no party shall pay for the benefit of the lender any other  
17 fees or discounts.

18 ...

19 (g) Second or Junior Lien Fees. –

20 (1) Notwithstanding the limitations contained in subsection (a) of this section, a  
21 lender described in G.S. 24-1.1A(a)(2) may charge or receive from any  
22 borrower, or any agent for a borrower, fees or discounts which in the aggregate  
23 do not exceed two percent (2%) on loans made under G.S. 24-1.1 when the  
24 loans are secured by a second or junior lien on real property. The fees or  
25 discounts are fully earned when the loan is made and are not a prepayment  
26 penalty under this Chapter or any other law of this State.

27 (2) Notwithstanding the limitations contained in subsection (a) of this section, the  
28 limitation in subdivision (1) of this subsection shall not apply to a loan secured  
29 by a second or junior lien on real property made under G.S. 24-1.1 by a lender  
30 described in G.S. 24-1.1A(a)(2), provided the total points and fees charged to  
31 the borrower by all lenders in connection with the loan do not exceed the lesser  
32 of (i) the amounts specified in 12 C.F.R. § 1026.43(e)(3), or (ii) three percent  
33 (3%) of the total loan amount as defined in G.S. 24-1.1E(a)(7).

34 ...."

35 **SECTION 2.** This act is effective when it becomes law and applies to loans made  
36 on or after that date.

