

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH40504-MU-52

Short Title: Enhance Financial Protections/Older Adults. (Public)

Sponsors: Representative Willis.

Referred to:

A BILL TO BE ENTITLED
AN ACT TO ENHANCE FINANCIAL PROTECTIONS FOR DISABLED ADULTS AND
OLDER ADULTS.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 108A of the General Statutes is amended by adding a new
Article to read:

"Article 6B.

"Additional Protections for Disabled Adults and Older Adults.

"§ 108A-118. Definitions.

The following definitions apply in this Article:

(1) Covered entity. – Both of the following:

a. A financial institution, as defined in G.S. 108A-113.

b. An entity involved in facilitating or processing an electronic transfer
of funds using a payment card.

(2) Disabled adult. – Defined in G.S. 108A-101.

(3) Older adult. – An individual 65 years of age or older who resides in this State.

**"§ 108A-119. Observation of materially harmful behavior or lack of communication; duty
to report; no late fees or penalties; no interest.**

(a) If a covered entity observes or suspects that a disabled adult or older adult is
exhibiting a pattern of behavior that is materially harmful to the adult's own financial well-being,
or if a disabled adult or older adult has ceased all communication with the covered entity for a
period of six months, the covered entity shall report this information to the persons on a list
provided under G.S. 108A-114, if provided, and to the appropriate county department of social
services. The covered entity shall not charge the disabled adult or older adult any late fees or
other penalties during the period beginning with the earliest of the following until the date the
covered entity submits the report:

(1) The date when the covered entity first observed or suspected the materially
harmful pattern of behavior or the date when the adult had ceased all
communication with the covered entity for a period of six months.

(2) If the adult has received a diagnosis of a cognitive impairment and the health
care provider has deemed that the adult is not capable of making sound
financial decisions, the date of the diagnosis. The adult shall submit a copy of
the diagnosis to the covered entity.

(3) If the adult is receiving cognitive care as a resident of an adult care home, as
defined in G.S. 131D-2.1, the date the adult began receiving cognitive care.



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(4) If the adult has received a diagnosis of a cognitive impairment and is a resident of an adult care home, as defined in G.S. 131D-2.1, the date of the diagnosis. The adult shall submit a copy of the diagnosis to the covered entity.

(b) If a covered entity makes a loan, or extends credit, to the disabled adult or older adult during the period described in subsection (a) of this section, the covered entity shall not charge any interest on the loan during that period."

SECTION 2. G.S. 24-10.1 reads as rewritten:

"§ 24-10.1. Late fees.

(a) Subject to the limitations contained in subsection (b) of this section, any lender may charge a party to a loan or extension of credit governed by G.S. 24-1.1 or G.S. 24-1.1A a late payment charge as agreed upon by the parties in the loan contract.

(b) All of the following limitations apply to a late payment charge:

...
(7) A late payment charge is subject to the limitations of G.S. 108A-119.
...."

SECTION 3. This act becomes effective October 1, 2025, and applies to late fees, penalties, and interest charged on or after that date.