

GENERAL ASSEMBLY OF NORTH CAROLINA
1985 SESSION

CHAPTER 755
HOUSE BILL 818

AN ACT TO AMEND G.S. CHAPTER 24 CONCERNING LATE FEES.

The General Assembly of North Carolina enacts:

Section 1. Chapter 24 of the North Carolina General Statutes is amended by adding after G.S. 24-10 a new section to read:

"§ 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 the provisions of G.S. 24-1.1, 24-1.2, or 24-1.1A a late payment charge as agreed upon by the parties in the loan contract.

(b) No lender may charge a late payment charge:

- (1) In excess of four percent (4%) of the amount of the payment past due; or
- (2) In excess of the amount disclosed with particularity to the borrower pursuant to the provisions of the Federal Consumer Credit Protection Act if the transaction is one to which the provisions of that act apply, which in no event shall exceed four percent (4%); or
- (3) For any payment unless past due for 15 days or more; provided, however, if the loan is one on which interest on each installment is paid in advance, no late payment charge may be charged until the payment is 30 days past due or more; or
- (4) More than once with respect to a single late payment. If a late payment charge is deducted from a payment made on the contract and such deduction results in a subsequent default on a subsequent payment, no late payment charge may be imposed for such default. If a late payment charge has been once imposed with respect to a particular late payment, no such charge shall be imposed with respect to any future payment which would have been timely and sufficient but for the previous default. A late payment charge for any particular late payment shall be deemed to have been waived by the lender unless, within 45 days following the date on which the payment was due, the lender either collects the late payment charge or sends written notice of the charge to the borrower; or
- (5) On any loan which by its terms calls for repayment of the entire balance in a single payment and not for installments of interest or principal and interest."

Sec. 2. G.S. 24-10 is amended by deleting subsections (e) and (f).

Sec. 3. This act is effective upon ratification and shall apply to loans made after that date; provided, however, any loan contract executed prior to the effective date of this act may be enforced in accordance with its terms and the existing law at the time of such execution.

In the General Assembly read three times and ratified, this the 15th day of July, 1985.