

GENERAL ASSEMBLY OF NORTH CAROLINA
1987 SESSION

CHAPTER 758
SENATE BILL 428

AN ACT TO PROVIDE THAT INTEREST SHALL BE AT THE LEGAL RATE ON JUDGMENTS IN ACTIONS FOR BREACH OF A CONTRACT EXTENDING CREDIT FOR PERSONAL, FAMILY, HOUSEHOLD, OR AGRICULTURAL PURPOSES AFTER ONE YEAR FOLLOWING FINAL JUDGMENT.

The General Assembly of North Carolina enacts:

Section 1. G. S. 24-5(a) is amended by rewriting the third sentence to read:

"If the parties have agreed in the contract that the contract rate shall apply after judgment then interest on an award in a contract action shall be at the contract rate after judgment, otherwise it shall be at the legal rate; provided, however, that on awards in actions on contracts pursuant to which credit was extended for personal, family, household, or agricultural purposes, interest shall be at the legal rate, provided however, such rate shall not exceed the contract rate."

Sec. 2. This act shall become effective October 1, 1987, and applies to all actions filed on or after that date, except as to those actions which are based on a contract entered into on or after October 1, 1985, and prior to October 1, 1987, and which contract specifically provided that interest after judgment shall be at the contract rate.

In the General Assembly read three times and ratified this the 8th day of August, 1987.