§ 64-64. (Effective April 1, 2027) Divestiture procedure.

(a) Upon receipt of information that leads the Attorney General to believe that a violation of G.S. 64-63 may have occurred, the Attorney General shall investigate the alleged violation and may issue subpoenas requiring any of the following:

(1) Appearances of witnesses.

(2) Production of relevant records.

(3) Giving of relevant testimony.

(b) The Attorney General shall enforce a violation of G.S. 64-63 by commencing a receivership proceeding under Article 38A of Chapter 1 of the General Statutes seeking the appointment of a general receiver pursuant to G.S. 1-507.24(e1). The following apply to a receivership proceeding initiated pursuant to this section:

(1) Proceeds of the sale shall be paid as follows:

a. The costs of the receivership and sale.

b. To secured parties, in their order of priority, except for liens which under the terms of the sale are to remain on the property.

c. No proceeds shall be distributed from the receivership sale to the prohibited foreign party. Any excess proceeds are forfeited and shall be remitted to the Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2.

(2) At the receivership sale, any secured party shall be able to place a bid in an amount that is not more than the amount owed plus any costs incurred to the secured party as of the date of the sale, as established in the court order for the sale of the property.

(3) Upon commencement of an action under this section, the Attorney General shall file a notice of lis pendens as soon as practicable with the register of deeds of the county or counties in which the real property is situated. Upon the entry of an order for the sale of the property under this section, the Attorney General shall record a copy of the order as soon as practicable in the office of the register of deeds of the county or counties where the real property is situated.

(4) The receiver shall honor and give priority to any default that has been triggered on a loan, mortgage, or deed of trust prior to the commencement of a receivership under this section. (2026-54, s. 1.)