

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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SENATE BILL 1064

Short Title: Refunds/Manufactured Housing.

(Public)

Sponsors: Senator Warren.

Referred to: Judiciary II.

May 6, 1993

A BILL TO BE ENTITLED  
AN ACT TO REWRITE THE LAW RELATING TO THE REFUND OF DEPOSITS  
FOR THE PURCHASE OF A MANUFACTURED HOME.

The General Assembly of North Carolina enacts:

Section 1. G.S. 143-143.21 is repealed.

Sec. 2. Article 9A of Chapter 143 of the General Statutes is amended by adding the following new section to read:

**"§ 143-143.21A. Refund of buyer deposit.**

(a) A dealer shall record the following information in a retail purchase agreement for a manufactured home:

(1) A description of the manufactured home and all accessories included in the purchase;

(2) The purchase price;

(3) The amount of deposit; and

(4) The date the retail purchase agreement is signed.

(b) A dealer shall give to the buyer a copy of the purchase agreement at the time the deposit is received. The purchase agreement shall contain, in immediate proximity to the space reserved for the signature of the buyer and in at least eight point, all upper-case Gothic type, a statement in substantially the following form:

I UNDERSTAND THAT I HAVE THE RIGHT TO CANCEL THIS PURCHASE PRIOR TO MIDNIGHT OF THE THIRD BUSINESS DAY AFTER THE DATE THAT I HAVE SIGNED THIS AGREEMENT. I UNDERSTAND THAT THIS CANCELLATION MUST BE IN WRITING. IF I ATTEMPT TO CANCEL THE PURCHASE AFTER

1                   THE THREE-DAY PERIOD, I UNDERSTAND THAT THE DEALER  
2                   HAS NO OBLIGATION TO REFUND THE ENTIRE AMOUNT OF  
3                   MY DEPOSIT.'

4       (c)   A dealer shall refund to a buyer the full amount of a deposit on the purchase  
5       of a manufactured home if the buyer cancels the purchase before midnight of the third  
6       business day after the date the buyer signed the purchase agreement. In order to make  
7       an effective cancellation, the buyer must notify the dealer, in writing, of the buyer's  
8       intent to cancel the purchase agreement.

9       (d)   If the buyer cancels the purchase agreement after the three-day cancellation  
10      period, but before the home is delivered to the buyer, then,

11           (1)   If the manufactured home is in the dealer's inventory, the dealer may  
12           retain from the deposit actual damages up to a maximum of ten percent  
13           (10%) of the purchase price; or

14           (2)   If the manufactured home is specially ordered from the manufacturer  
15           for the buyer, the dealer may retain actual damages up to the full  
16           amount of the buyer's deposit.

17       (e)   The Board may adopt rules to implement this section."

18           Sec. 2. This act becomes effective October 1, 1993, and applies to purchase  
19       agreements executed on or after that date.