

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2023

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SENATE BILL 329

Short Title: Retail Installment Sales Act Amendments. (Public)

Sponsors: Senators Perry and Britt (Primary Sponsors).

Referred to: Rules and Operations of the Senate

March 20, 2023

1 A BILL TO BE ENTITLED  
2 AN ACT TO AMEND THE RETAIL INSTALLMENT SALES ACT.  
3 The General Assembly of North Carolina enacts:

4 SECTION 1. G.S. 25A-15 reads as rewritten:

5 "§ 25A-15. Finance charge rates for consumer credit installment sale contracts.

6 (a) With respect to a consumer credit installment sale contract, a seller may contract for  
7 and receive a finance charge not exceeding that permitted by this section. For the purposes of  
8 this section, the finance charge rates are the rates that are required to be disclosed by the  
9 Consumer Credit Protection Act, except that official fees under G.S. 25A-10 shall be (i) included  
10 in the amount financed to the extent payment is deferred by the seller and (ii) excluded from the  
11 finance charge.

12 (b) Except as provided in this section, the finance charge rate imposed for a consumer  
13 credit installment sale contract shall not exceed ~~the following rate~~ twenty-four percent (24%) per  
14 annum except that a minimum finance charge of five dollars (\$5.00) may be ~~imposed~~:imposed.

15 (1) ~~Twenty four percent (24%) per annum where the amount financed is less than~~  
16 ~~one thousand five hundred dollars (\$1,500).~~

17 (2) ~~Twenty two percent (22%) per annum where the amount financed is one~~  
18 ~~thousand five hundred dollars (\$1,500) or greater, but less than two thousand~~  
19 ~~dollars (\$2,000).~~

20 (3) ~~Twenty percent (20%) where the amount financed is two thousand (\$2,000)~~  
21 ~~or greater, but less than three thousand dollars (\$3,000).~~

22 (4) ~~Eighteen percent (18%) per annum where the amount financed is three~~  
23 ~~thousand dollars (\$3,000) or greater.~~

24 (c) A finance charge rate not to exceed the higher of the rate established in subsection (b)  
25 of this section or the rate set forth below may be imposed in a consumer credit installment sale  
26 contract repayable in not less than six installments for a self-propelled motor vehicle:

27 (1) ~~Eighteen percent (18%)~~ Twenty percent (20%) per annum for vehicles one  
28 and two model years old.

29 (2) ~~Twenty percent (20%)~~ Twenty-two percent (22%) per annum for vehicles  
30 three model years old.

31 (3) ~~Twenty two percent (22%)~~ Twenty-four percent (24%) per annum for  
32 vehicles four model years old.

33 (4) ~~Twenty nine percent (29%)~~ Thirty-one percent (31%) per annum for vehicles  
34 five model years old and older.

35 A motor vehicle is one model year old on January 1 of the year following the designated year  
36 model of the vehicle.



1 ...."

2 **SECTION 2.** G.S. 25A-29 reads as rewritten:

3 "**§ 25A-29. Default charges.**

4 (a) If any installment is past due for 10 days or more according to the original terms of  
5 the consumer credit installment sale contract, a default charge may be made in an amount of  
6 ~~fifteen dollars (\$15.00)~~, twenty dollars (\$20.00). A default charge may be imposed only one time  
7 for each default.

8 (b) If a default charge is deducted from a payment made on the contract and the deduction  
9 results in a subsequent default on a subsequent payment, no default charge ~~may~~ shall be imposed  
10 for the default.

11 (c) If a default charge has been once imposed with respect to a particular default in  
12 payment, no default charge shall be imposed with respect to any future payments ~~which~~ that  
13 would not have been in default except for the previous default.

14 (d) A default charge for any particular default ~~shall be~~ is deemed to have been waived by  
15 the seller unless, within 45 days following the default, (i) the charge is collected or (ii) written  
16 notice of the charge is sent to the buyer."

17 **SECTION 3.** This act becomes effective October 1, 2023, and applies to contracts  
18 entered into, modified, or renewed on or after that date.