

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

(a) With respect to a consumer credit installment sale contract, a seller may contract for and receive a finance charge not exceeding that permitted by this section. For the purposes of this section, the finance charge rates are the rates that are required to be disclosed by the Consumer Credit Protection Act.

(b) Except as hereinafter provided, the finance charge rate for a consumer credit installment sales contract may not exceed:

- (1) Twenty-four percent (24%) per annum where the amount financed is less than one thousand five hundred dollars (\$1,500);
- (2) Twenty-two percent (22%) per annum where the amount financed is one thousand five hundred dollars (\$1,500) or greater, but less than two thousand dollars (\$2,000);
- (3) Twenty percent (20%) where the amount financed is two thousand (\$2,000) or greater, but less than three thousand dollars (\$3,000);
- (4) Eighteen percent (18%) per annum where the amount financed is three thousand dollars (\$3,000) or greater,

except that a minimum finance charge of five dollars (\$5.00) may be imposed.

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

- (1) Eighteen percent (18%) per annum for vehicles one and two model years old;
- (2) Twenty percent (20%) per annum for vehicles three model years old;
- (3) Twenty-two percent (22%) per annum for vehicles four model years old; and
- (4) Twenty-nine percent (29%) per annum for vehicles five model years old and older.

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

(d) Notwithstanding the provisions of subsections (b) and (c), above, in the event that the amount financed in a consumer credit sale contract is secured in whole or in part by a security interest in real property, the finance charge rate may not exceed sixteen percent (16%) per annum.

(e) A seller may not divide a single credit sale transaction into two or more sales to avoid the limitations as to maximum finance charges imposed by this section.

(f) Notwithstanding the provisions of subsections (b) or (d), the parties to a consumer credit installment sale contract for the sale of a residential manufactured home which is secured by a first lien on that home or on the land on which such home is located may contract in writing for the payment of a finance charge as agreed upon by the parties. Provided, this subsection shall only apply if the parties would have been entitled to so contract by the provisions of section 501 of United States Public Law 96-221, and have complied with the regulations promulgated thereto.

For the purposes of this subsection (f), a "residential manufactured home" means a mobile home as defined in G.S. 143-145(7) which is used as a dwelling. (1971, c. 796, s. 1; 1979, 2nd Sess., c. 1330, ss. 1, 2; 1981, c. 446, ss. 1-3; 1983, c. 126, s. 2.)