

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 1995

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SENATE BILL 268
Commerce Committee Substitute Adopted 3/13/95

Short Title: Loss Reserve Accounts/Econ. Dev.

(Public)

Sponsors:

Referred to: Finance

February 27, 1995

A BILL TO BE ENTITLED

1
2 AN ACT TO PROVIDE THAT FEES PAID BY BORROWERS TO LOSS RESERVE
3 ACCOUNTS OF STATE-FUNDED ECONOMIC DEVELOPMENT PROGRAMS
4 ARE NOT CONSIDERED INTEREST OR SUBJECT TO CLAIMS OR DEFENSES
5 OF USURY.

6 The General Assembly of North Carolina enacts:

7 Section 1. Article 1 of Chapter 24 of the General Statutes is amended by
8 adding a new section to read:

9 "**§ 24-9.3. Economic development loans.**

10 Fees or other funds paid by borrowers for contribution to loss reserve accounts
11 administered and controlled by nonprofit corporations that are part of State-funded
12 programs that provide loans to promote economic development shall not be considered
13 interest under this Chapter and shall not be subject to claims or defenses of usury."

14 Sec. 2. This act is effective upon ratification.