

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2007

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HOUSE DRH30377-LD-169 (4/5)

Short Title: Discount Rate/Structured Settlement Payment. (Public)

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Sponsors: Representative Cole.

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Referred to:

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1 A BILL TO BE ENTITLED  
2 AN ACT TO CHANGE THE CAP FOR THE DISCOUNT RATE OF INTEREST  
3 USED TO DETERMINE THE NET AMOUNT PAYABLE FOR TRANSFERS OF  
4 STRUCTURED SETTLEMENT PAYMENT RIGHTS.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 1-543.12(6) reads as rewritten:

7 "(6) The discount rate used in determining the net amount payable to the  
8 payee, as provided in subdivision (2) of this section, does not exceed  
9 ~~an the maximum~~ annual percentage rate of ~~prime plus five percentage~~  
10 ~~points permitted under G.S. 25A-15(b)(4) for the finance charge rate~~  
11 ~~for a consumer credit installment contract calculated as if the net~~  
12 ~~amount payable to the payee, as provided in sub-subdivision (2)f. of~~  
13 ~~this section, was the principal of a consumer loan made by the~~  
14 ~~transferee to the payee, and if the structured settlement payments to be~~  
15 ~~transferred to the transferee were the payee's payments of principal~~  
16 ~~plus interest on such loan. For purposes of this subdivision, the prime~~  
17 ~~rate shall be as reported by the Federal Reserve Statistical Release~~  
18 ~~H.15 on the first Monday of the month in which the transfer agreement~~  
19 ~~is signed by both the payee and the transferee, except when the transfer~~  
20 ~~agreement is signed prior to the first Monday of that month then the~~  
21 ~~prime rate shall be as reported by the Federal Reserve Statistical~~  
22 ~~Release H.15 on the first Monday of the preceding month; loan;".~~

23 **SECTION 2.** This act becomes effective October 1, 2007.