

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2007

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HOUSE DRH60437-MA-474 (5/14)

Short Title: Failure to Release a Security Interest. (Public)

Sponsors: Representative Cole.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO SET A CRIMINAL AND CIVIL PENALTY FOR SECURITY INTEREST HOLDERS THAT FAIL TO RELEASE THE SECURITY LIEN WITHIN THIRTY DAYS OF THE SATISFACTION OR DISCHARGE OF THE SECURITY INTEREST.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 20-58.4 is amended by adding a new subsection to read:

(b1) Penalties. – Any person, firm, corporation, or other legal entity that fails to release a security interest as required by subsections (a) and (b) of this section shall be guilty of a Class 2 misdemeanor. In addition to any other penalties imposed, a civil penalty in the amount of one hundred dollars (\$100.00) may be assessed by the Division if an individual demands the release, by the secured party, of the security interest, in writing, by U.S. Mail, certified, return receipt requested, and the secured party fails to respond within 10 days of mailing. A demand under this subsection is deemed to be received by the secured party on the third day after mailing."

**SECTION 2.** This act becomes effective December 1, 2008, and applies to offenses committed on or after that date.